



Daily Report

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Japan

Takeshita Interviewed on DPRK Sanctions

*OW261411 Tokyo Tokyo Broadcasting System
Television Network in Japanese 0700 GMT 26 Jan 88*

[Interview with Prime Minister Noboru Takeshita by TBS newscasters Takeo Morimoto and Takae Migumo at the prime minister's official residence in Tokyo presumably earlier on 26 January, entitled "Interview with the Prime Minister—Politics of Concern Being Tested"]

[Excerpts] [Morimoto] Good afternoon, I am Takeo Morimoto.

[Migumo] I am Takae Migumo.

[Morimoto] Today we are here in the big dining hall of the prime minister's official residence for an interview with the prime minister. Although it is called the big dining hall, I think it would be better to call it a conference room. We are now going to have a talk with Prime Minister Takeshita who has been in office for a little more than 2 months.

Good afternoon, Mr Prime Minister. As I said, you have been in office only for a little more than 2 months, but you have been very busy during that time. You have been to the United States, and the Diet has at last reopened its session. How do you like sitting in the prime minister's chair?

[Takeshita] I moved to the official residence on 6 November, sat down in the prime minister's chair, and felt that it was indeed a prime minister's chair. [laughter] [passage omitted]

[Morimoto] During your visit to Washington you were very nervous, I presume. We understand that the various prime ministers who successively attended their first summit talks were more nervous than we thought. Were you also nervous, Prime Minister Takeshita?

[Takeshita] Since I have attended five summit meetings, the leaders of the various countries were my acquaintances. The only summits which I have attended as Japan's top leader were the Manila meeting last year and the Japan-U.S. and Japan-Canada summit talks. Therefore, I think that if I said that I was not nervous, it would be a lie. [passage omitted]

[Morimoto] Mr Nakasone carried out his foreign policy through the so-called Ron-Yasu relationship. Following on the heels of this, how did the Ron-Noboru relations develop at the summit this time?

[Takeshita] To make a long story short, Mr Reagan said that he believed that Mrs Thatcher was the first to use first names in addressing other leaders. This has become

a custom among the leaders of the seven countries. Since my name Noboru is rather long, I thought Nobu would be better. But anyway, Noboru is much easier to pronounce than Takeshita.

[Morimoto] It was difficult for Mr Reagan to pronounce the name Takeshita, wasn't it?

[Takeshita] It was difficult not only for Mr Reagan but for all others to pronounce my name. [passage omitted]

[Morimoto] The Diet session was resumed and policy speeches were delivered yesterday. With party representatives' interpellations of the administration scheduled to begin tomorrow, the Diet is now the focus of public attention. Meanwhile, the cabinet during its meeting today decided on sanctions against North Korea. The United States has already taken sanctions. However, the crew of the "No 18 Fujisan Maru" is being detained in North Korea. Because of this, I presume you had some difficulty in making this decision.

[Takeshita] This matter had been made a special agenda item at the summit, but since so-called international terrorism poses a challenge not only to the international community but also to the whole of democratic society, it must be eliminated by all means. Since this is our stand, now that it has been made clear that North Korea was behind the Korean Airlines incident, we should take due countermeasures as a member of the West.

Realistically speaking, government officials are now subject to travel restrictions, and various other measures have been taken. But, as you said just now, everyone has been concerned about the "No 18 Fujisan Maru" issue. Since this issue is a humanitarian one, I think that we should not assume the position that it can be ignored.

When the chief cabinet secretary released his statement today, I watched him with approval. Toward the end of his statement the chief cabinet secretary stated that, in principle, travel will be restricted. That is one of the measures. He added that harassment and other dastardly acts against Korean residents in Japan by thoughtless Japanese should never be tolerated. He also said that the government will deal sternly with such acts. I think that, while showing concern, he made it clear that international terrorism is the common enemy of mankind.

[Morimoto] Since the "No 18 Fujisan Maru" issue is a humanitarian issue, it should be separated from the sanctions issue. I think that this is the basic Japanese view.

[Takeshita] That is correct.

[Morimoto] But I wonder if this view will be accepted by the North Korean side. Don't you think that it is too selfish?

[Takeshita] Even though there may be different views in different countries, humanitarianism exists in all countries. I think that from the humanitarian viewpoint it will be impossible [for North Korea] to shut all doors to our approach. [passage omitted]

[Morimoto] We do not have much time left now. Mr. Prime Minister, you have finally put up the goal of building Japan into a nation that contributes to the world. I totally agree with you. In concrete terms, I believe that Japan will face tough problems from now on, including farm products liberalization and Japan-U.S. defense cooperation issues. Please tell us about your resolve on these issues.

[Takeshita] Since Japan will not become a military power, the role Japan can play in contributing to the world is a so-called nonmilitary role. Therefore, I think that efforts, including external economic assistance and other concrete measures, should be carried out with the people's understanding. I think that self-complacency will not do.

[Morimoto] Thank you very much.

Moscow Criticizes DPRK Sanctions Decision
OW261241 Tokyo KYODO in English 1217 GMT
26 Jan 88

[Text] Tokyo, Jan. 26 KYODO—The Soviet Union has hit out at Japan's decision Tuesday to slap sanctions on North Korea for destroying a South Korean jetliner, saying the measure would heighten tension in the Korean peninsula, a Foreign Ministry official said.

The official, who spoke on condition of anonymity, said Moscow criticized the decision when the Japanese Foreign Ministry briefed the Soviets on the move before it was announced Tuesday.

The official quoted a Soviet government official as saying what Japan and the United States were doing would cause greater tension in the Korean peninsula.

The United States also imposed sanctions against North Korea on January 20 after South Korean investigators concluded North Korea was behind the mid-air explosion of a Seoul-bound Boeing 707 near Burma on November 29.

U.S. Statement Puzzles Defense Officials
OW270247 Tokyo KYODO in English 0147 GMT
27 Jan 88

[Text] Tokyo, Jan. 27 KYODO—U.S. Navy Secretary James H. Webb has perplexed Japanese defense officials with his remarks that Japan should extend its share of sea-lane defense to the Indian Ocean.

Webb reportedly made the remarks in his speech at the National Press Club in Washington on January 13 when Japanese Prime Minister Noboru Takeshita was there for talks with President Ronald Reagan.

Maritime Self-Defense Force (MSDF) and Defense Agency officials said Wednesday Japan at present cannot expand the scope of its sea-lane capability to the Indian Ocean either under the country's postwar peace Constitution or under the terms of the Japan-U.S. Security Treaty.

They also said realization of such an increased Japanese role at sea will not be possible even under the defense build-up program being carried out now.

It is generally understood between Japan and the United States that Japan will handle the defense of sea-lanes stretching to 1,000 nautical miles from its coasts in an emergency and the MSDF is currently trying to build up its capability to meet that goal.

Article Nine of Japan's Constitution says the "Japanese people forever renounce war as a sovereign right of the nation and the threat or use of force as means of settling international disputes."

Some Defense Agency officials expressed the belief that Webb's remarks were highly political and tantamount to requesting Japan to shoulder further military burdens as an ally of the United States.

The U.S. had earlier asked Japan to dispatch MSDF minesweepers to the Persian Gulf to ensure the safety of commercial navigation. Japan, however, settled the request with an offer to increase its share of the cost of maintaining U.S. military forces in this country.

Farm Trade Negotiator To Be Sent to U.S.
OW260549 Tokyo KYODO in English 0508 GMT
26 Jan 88

[Text] Tokyo, Jan. 26 KYODO—The government will send a senior Agriculture Ministry official to the United States for preliminary talks with U.S. trade negotiators on Japan's residual import control on 12 disputed farm products, Agriculture Minister Takashi Sato said Tuesday.

Sato told reporters after a cabinet meeting that the official will inform the U.S. trade representative's office of Japan's latest moves and obtain firsthand information about U.S. intentions in connection with the issue. Japan has decided to accept a panel ruling by the General Agreement on Tariffs and Trade (GATT) recommending it should lift import restrictions on 10 of the 12 farm products, including processed cheese and noncitrus fruits.

But it will tell the GATT meeting in February that it cannot liberalize imports of two farm items—starch and powdered and skimmed milk—for domestic political reasons, officials said.

Sato also said Japan has not received any response from the U.S. about its offer to start bilateral negotiations on a new agreement on beef and orange imports. The current agreement expires in March, and the U.S. wants import curbs in the products completely abolished.

LDP Decision on Imports

*OW270807 Tokyo KYODO in English 0544 GMT
27 Jan 88*

[Text] Tokyo, Jan. 27 KYODO—The ruling Liberal Democratic Party (LDP) on Wednesday confirmed its decision not to lift import restrictions on two of the 10 farm items that a General Agreement on Tariffs and Trade (GATT) subcommittee asked Japan to remove in December, party officials said.

An LDP farm trade panel met and agreed not to liberalize imports of starch and powdered and condensed milk. Instead, it will maintain the import quota system on those products, LDP officials said.

The LDP will approve a government plan to pay penalties for not decontrolling imports of the two items, they said.

The party, however, agreed that import trade controls should be lifted on the eight other items—processed beef and pork; canned pineapples; tomato juice; tomato ketchup and sauce; fruit puree and paste; processed cheese; grape sugar; and other processed foods.

The government will tell a GATT meeting in February about its decision to lift curbs on eight of the 10 farm items, the officials said.

Many members of the LDP farm panel expressed concern that Japanese producers may suffer if the country frees imports on all 10 items, they said.

Car Export Quotas to U.S. Remain Unchanged

*OW270037 Tokyo KYODO in English 0003 GMT
27 Aug 88*

[Text] Tokyo, Jan. 27 KYODO—Japan will continue its "voluntary" restraints on car exports to the United States in Fiscal 1988, limiting total shipments to 2.3 million units as in the current year ending March 31, government sources said Tuesday night. International Trade and Industry Minister Hajime Tamura will inform the U.S. Government of this policy soon, possibly as early as next week, the sources said.

Most Japanese automakers are calling for abolition of the export curbs, now in their seventh year, on the grounds that car exports to the U.S. have been on the decline in the wake of the yen's sharp appreciation coupled with rising production there.

Exports to the U.S. in fiscal 1987 are expected to be slightly less than the 2.3 million-unit quota, industry sources said.

But the Ministry of International Trade and Industry (MITI) is concerned that termination of the quota system could result in uncontrolled acceleration of exports and renew trade friction with the U.S. auto industry, the sources said. U.S. automakers are demanding continuation of the restrictions with a reduced quota.

MITI also fears that elimination of the curbs could adversely affect other bilateral trade disputes, including those on the farm produce and construction market fronts, and prod the U.S. Congress into approving tough protectionist trade legislation targeted at Japan, the sources said.

The export restraints began in fiscal 1981 for a 3-year run to help the U.S. auto industry recover from a slump. They have been renewed every year since Fiscal 1984.

Fukuda, Kanemaru To Attend Chiang Funeral

*OW261225 Tokyo KYODO in English 1144 GMT
26 Jan 88*

[Text] Tokyo, Jan. 26 KYODO—Former Prime Minister Takeo Fukuda plans to travel to Taiwan to attend this Saturday's funeral for the late Nationalist President Chiang Ching-kuo, Fukuda's aides said Tuesday.

Fukuda, who maintains close ties with Taiwan, plans to attend the memorial service as a private individual and will not be representing the ruling Liberal Democratic Party, they said.

An LDP parliamentary group with ties to Taiwan has urged Fukuda to go to the funeral as an informal representative of the party, but the former premier rejected the idea out of fear of angering Beijing, LDP sources said.

Fukuda will join a group of Japanese conservative and middle-of-the-road opposition politicians to pay tribute to Chiang, who died on January 13.

Shin Kanemaru, former deputy prime minister and a close associate of Prime Minister Noboru Takeshita, has said he will lead a group of about 45 Diet members from the ruling LDP and the Socialist Democratic Party to Chiang's funeral. The lawmakers' trip is also being described as a private one without party sponsorship.

Soviet Business Cooperation Committee Meets

Economic Talks Begin
*OW270321 Tokyo KYODO in English 0250 GMT
27 Jan 88*

[Text] Tokyo, Jan. 27 KYODO—About 160 Japanese industrialists and 60 Soviet officials began 3 days of talks in Tokyo Wednesday to explore the possibility of bilateral economic and trade expansion, the first such session in 21 months, following postponement in the wake of illegal sales to the Soviet Union of sophisticated milling machines by Toshiba Machine Co.

High on the agenda of the 11th Japan-Soviet Business Cooperation Committee are Siberian resources development projects now under way with Japanese cooperation, including coal exploration in southern Yakutia and crude oil and natural gas exploitation in the sea near Sakhalin Island, conference sources said.

The sources said that possible Japanese cooperation in the Soviet Union's fourth forestry development project in Siberia is also among major subjects for discussion.

Messages from Japanese Prime Minister Noboru Takeshita and Soviet counterpart Nikolay Ryzhkov were read at the outset of the annual session, being held at a Tokyo hotel.

The sources said that the Soviet officials may make a fresh request at a second-day session for Japanese cooperation in a series of major new projects to be tabled at seven workshops, dealing with such subjects as paper-pulp projects in timber-rich eastern Siberia, port and harbor transportation and Sakhalin development projects.

The meeting will close with a joint statement signed by Hiroshi Anzai, Japanese committee chairman, and his Soviet counterpart Vladimir Malkevich, who is also president of the Soviet Chamber of Commerce and Industry.

The sources said the Japanese industrialists hope to learn the details of the Soviet Union's Far Eastern Economic Development Program through the year 2000 under Soviet leader Mikhail Gorbachev's economic reform policy known as "Perestroyka."

They also wish to know the future course of joint ventures under the Soviet Union's State Enterprise Law that took effect this month, the sources say.

USSR Views Increased Trade
*OW270645 Tokyo KYODO in English 0608 GMT
27 Jan 88*

[Text] Tokyo, Jan. 27 KYODO—A Soviet industrialist hinted here Wednesday that his country would engage in more international business under Soviet leader Mikhail Gorbachev's new economic reform policy, thus paving the way for fresh economic interchanges with the Western bloc, including Japan.

Vladimir Malkevich, president of the USSR Chamber of Commerce and Industry, made the remark at the start of a 3-day meeting of the Japan-Soviet Business Cooperation Committee.

Malkevich a cochairman of the committee, also said the treaty on intermediate- and short-range nuclear weapons signed by Gorbachev and U.S. President Ronald Reagan in December would not only benefit Soviet citizens but would also improve the climate for further East-West dialogue.

Both Japanese Prime Minister Noboru Takeshita and his Soviet counterpart Nikolay Ryzhkov sent messages to be read at the session, the 11th so far held, which was postponed for 21 months following the illegal sale of sophisticated milling machines to the Soviet Union by Toshiba Machine Co. in violation of COCOM [Coordinating Committee for Multilateral Export Controls] rules.

Takeshita stressed the necessity of continuing efforts to improve mutual trust to help develop long-term economic interchanges and encourage political stability.

Pledging his government's help in specific Soviet projects promoting bilateral economic and trade relations, Takeshita said he hoped the meeting would lead to fresh bilateral economic cooperation.

Ryzhkov welcomed the Japanese business community's participation in the Soviet Union's far east economic development program.

Saying the committee has been instrumental in bilateral economic cooperation and large Soviet projects, he expressed his hope that the meeting would build a more solid foundation for collaboration in various industries, joint ventures and science projects.

About 160 Japanese and 40 Soviet industrialists attended the meeting, which also addressed stepping up Siberian resource development projects now underway in cooperation with Japanese concerns.

The projects include coal exploration in southern Yakutia and crude oil and natural gas exploration on the continental shelf at Sakhalin Island, just north of Japan.

Possible Japanese cooperation in the Soviet Union's fourth forestry development project in Siberia will also be among the major topics discussed, conference sources said.

The sources said a fresh Soviet request is expected during the second day's session for Japanese cooperation in a series of major new projects, including those for paper-pulp in timber-rich eastern Siberia, port and harbor transportation and Sakhalin development.

Hiroshi Anzai, co-chairman of the committee and chairman of Tokyo Gas Co., and Malkevich will sign a joint statement to be issued at the close of the meeting on Friday, they said.

The sources noted that the Japanese industrialists hope to learn details of the Soviet Union's far east economic development program through 2000 under Gorbachev's "Perestroyka."

They also want to know the future course of joint ventures under the Soviet Union's state enterprise law, which took effect this month, they added.

Criticizes COCOM Controls

OW271143 Tokyo KYODO in English 1037 GMT
27 Jan 88

[Text] Tokyo, Jan. 27 KYODO—A high-ranking Soviet official Wednesday criticized Japan for hampering Soviet-Japan trade by strengthening its export controls on Soviet-bound products under the Paris-based Coordinating Committee [for Multilateral Export Controls] (COCOM), according to industry sources.

Vladimir Malkevich, president of the USSR Chamber of Commerce and Industry, made his criticism at the first session of a three-day meeting of the Japan-Soviet business cooperation committee at a Tokyo hotel Wednesday.

The 11th joint economic conference was attended by about 160 Japanese business leaders and 40 Soviet Government officials and industrialists to exchange views.

The annual bilateral meeting was originally scheduled for early 1987 but was suspended following the disclosure of unlawful exports of sophisticated propeller milling machines by Toshiba Machine Co. To the Soviet Union.

"Soviet-Japan trade suffered a 20 percent decline in 1987 in spite of both countries' high potential. This stemmed mainly from Japan's stricter export controls on shipments of high technology to us," Malkevich said.

Malkevich, who is chairman of the Soviet-Japan Business Committee, said the Soviet Union has concluded 23 joint ventures with foreign concerns, including Japan and West Germany since the announcement of Mikhail Gorbachev's market-opening program as part of the nation's economic reform.

The latest Japan-Soviet joint venture is the Igirma-Tairiku Co., capitalized at 460 million yen. The 51 percent Soviet-owned company will build a sophisticated timber plant in central Siberia with the aim of shipping 78 percent of its timber to Japan and the remainder for domestic consumption beginning in April 1988, the sources said.

However, the shipment of robotics needed for the timber factory has been delayed chiefly by the "benign policy" of the Ministry of International Trade and Industry (MITI) which issues export licenses for the COCOM-controlled industrial item, they said.

The Soviet official also complained that Japan has not filled orders from the Soviet Union as scheduled under the joint venture agreement, they said.

Malkevich urged Japan to take part in major projects underway in eastern Siberia, saying the Soviet Union plans to restructure the region's industries into "an economic complex with a complete production cycle," beginning with the utilization of natural resources to the export of finished products.

The Siberian development plan also calls for increasing industrial production 2.5 times until the year of 2000.

The Soviet official also said Japan has not complied with contracts for coal, paper-pulp and natural gas development projects.

For example, Malkevich said, Japan's imports of coal from a South Yakut coal mine totaled only 49 billion tons, 16 billion tons below the import volume agreed upon, according to the sources.

Malkevich added the Soviet Union is negotiating on 250 joint ventures with foreign countries such as France, West Germany, Finland, Italy, Japan and Switzerland.

Sumita Comments on Lower Interest Rates

OW271001 Tokyo KYODO in English 0755 GMT
27 Jan 88

[Text] Tokyo, Jan. 27 KYODO—Satoshi Sumita, governor of the Bank of Japan, said Wednesday he believes there is a sufficient interest rate differential between Japan and the United States to attract Japanese buying of U.S. bonds in February if the yen-dollar rate moves stably.

Sumita told a regular press conference that Japan's long-term interest rates have fallen more than the U.S. long-term rates since the October 19 crash of Wall Street stock prices and he thinks the fall is sufficient to encourage Japanese investors to participate in U.S. quarterly bond bidding scheduled for next month.

Sumita said, however, that Japanese investors will use their own judgment on whether to buy U.S. treasury bonds.

He said there is a differential of around 4.5 percentage points between Japanese and U.S. long-term interest rates.

Japan's long-term credit banks will lower their long-term prime lending rate by 0.2 percentage points to 5.5 percent per annum as of Thursday.

Sumita said the central bank will keep its current monetary policy stance—lowering short-term interest rates—for the time being.

He also said he thinks the dollar has hit bottom for the time being but the yen-dollar rates are still unstable and should be watched carefully.

Sumita said the Japanese economy is now on a steady path of expansion, with both the manufacturing and nonmanufacturing sectors becoming more optimistic toward the future.

After receiving reports from the bank's regional branch managers at a two-day meeting that ended Tuesday, Sumita said the Japanese economy has calmly dealt with the impacts of the higher value of the yen since last fall.

He said the economy would continue to expand driven by domestic demand, so long as the yen's value did not soar.

Sumita said price levels are currently moving stably but they should be watched carefully amid the current monetary relaxation.

Takeshita Rejects Call for General Election
OW270947 Tokyo KYODO in English 0833 GMT
27 Jan 88

[Text] Tokyo, Jan. 27 KYODO—Prime Minister Noboru Takeshita on Wednesday rejected an opposition call for a general election, if the government and the ruling Liberal Democratic Party are planning to pass a new indirect tax.

Takeshita, replying to No. 1 opposition Japan Socialist Party leader Takako Doi at the House of Representatives plenary session, said he has no plans to dissolve the Lower House or of introducing a large-scale indirect tax opposed by the people.

JSP leader Doi started off the three-day interpellation with a demand that the Diet be dissolved if the Takeshita government tries to introduce an indirect tax in defiance of campaign promises made by the ruling Liberal Democratic Party in the 1986 general election.

The chairwoman also called on Takeshita to seek the removal of U.S. F-16 fighters at Misawa Air Base in Aomori Prefecture since the Soviet Union has agreed to dismantle its SS-20 missiles in the Soviet far east under the intermediate-nuclear forces (INF) treaty signed last December between the superpowers. She also said Japan should refuse port calls by U.S. warships equipped with nuclear weapons.

The prime minister responded by saying Japan's security depends on the U.S. military deterrent and that effective application of the Japan-U.S. Security Treaty depends on Japan to maintain equipment and facilities which U.S. forces need.

Takeshita said Japan will uphold its three nonnuclear principles of not possessing, manufacturing and introducing nuclear weapons into Japan. The U.S. has never proposed prior consultation on the introduction of nuclear weapons into Japan and no port calls have been made by U.S. warships equipped with nuclear weapons, he added.

The prime minister also said Japan is boosting its defense capability based on its independent judgement and said the argument that Japan is building up its defense at U.S. urging is irrelevant.

Takeshita denied that the government's decision to increase funding for maintaining U.S. forces in Japan violates the status-of-forces agreement between Japan and the U.S. because the action was a voluntary one.

Japan has been shouldering part of the expense for maintaining U.S. forces in Japan since 1978. The fiscal 1988 budget allocates 120.3 billion yen toward the cost of keeping U.S. forces stationed in Japan, up 9.8 percent over the current fiscal year.

In addition to Doi, LDP Policy Board Chairman Michio Watanabe and Junya Yano, chairman of No. 2 opposition Komeito, also took the floor of the Lower House Wednesday.

Watanabe called for drastic tax reform this year, while Komeito leader Yano said his party opposes a large-scale indirect tax and also called on Takeshita to dissolve the Lower House if the government intends to introduce such a tax.

Atmospheric Research Rocket Launched
OW251119 Tokyo KYODO in English 0734 GMT
25 Jan 88

[Text] Kagoshima, Jan. 25 KYODO—The state-run Institute of Space and Astronautical Science (ISAS) announced Monday the successful launch of a rocket designed to gather data on the abnormally high electron temperature in the ionosphere over Japan.

The ISAS rocket will record data on ultraviolet rays and the vibration of nitrogen molecules in the ionosphere 100 kilometers over Japan, where the electron temperature is 300 to 400 degrees centigrade higher than in neighboring areas in the late evening hours during winter, the institute said.

The institute, operated by the Education Ministry, also said it plans to launch a similar rocket Tuesday in the second phase of the research project.

North Korea

O Chin-u Says KPA To Counter Aggressive Acts
SK271047 Pyongyang KCNA in English
035 GMT 27 Jan 88

[“The Korean People and Officers and Men of the Korean People’s Army Will Watch With Heightened Vigilance the Nuclear War Provocation Moves of the U.S. Imperialists and the South Korean Puppets, Declares Minister of People’s Armed Forces O Chin-u”—KCNA headline]

[Text] Pyongyang January 27 (KCNA)—The Korean people and the officers and men of the Korean People’s Army will always watch with heightened vigilance the reckless nuclear war provocation moves of the U.S. imperialists and the South Korean puppets and counter any aggressive act of the enemy with a thousand-fold retaliation, declared O Chin-u, member of the Presidium of the Political Bureau of the Central Committee of the Workers’ Party of Korea and minister of People’s Armed Forces, in his statement issued to the press today.

The U.S. imperialists should look straight at the Korean people and the officers and men of the Korean People’s Army who have the unshakable will to defend the dignity of the nation and firmly safeguard the inviolable territory of the country at all costs, he stressed.

O Chin-u pointed out that over the past 30 years since the U.S. imperialists made public their introduction of nuclear weapons to U.S. Army units in South Korea on January 29 and 30, 1958, they have systematically shipped various types of nuclear weapons into South Korea and turned it into a nuclear forward base.

There has been created so strained a situation on the Korean peninsula that even a small accident might lead to the outbreak of a nuclear war, and the Korean people are on the crossroads of peace or nuclear war, he said.

He stressed:

The United States has neither ground nor reason to ship nuclear weapons into South Korea.

It is known to the world that there is no nuclear weapon in the northern half of Korea.

If the U.S.-brand nuclear weapons deployed in South Korea are levelled at other socialist countries, the U.S. imperialists should withdraw them from South Korea now that they signed a treaty of nuclear disarmament with the Soviet Union.

The Korean peninsula must be a nuclear-free, peace zone as desired by the entire Korean people and the world’s peaceloving people.

If the U.S. imperialists and the South Korean puppets think that they can frighten somebody with nuclear weapons, it is a gross miscalculation.

The U.S. imperialists must immediately withdraw from South Korea, taking along all their nuclear weapons and aggression forces, before it is too late.

O Chin-u expressed the hope that the parties, governments and peoples of all countries would continuously render active support and encouragement to the Korean people’s just cause of converting the Korean peninsula into a nuclear-free, peace zone against the nuclear war provocation moves of the United States and the South Korean puppets.

Denounces War Maneuvers
SK271028 Pyongyang KCNA in English
1019 GMT 27 Jan 88

[“Minister of People’s Armed Forces O Chin-u Issues Statement to the Press, Denouncing New War Provocation Moves of U.S. Imperialists and South Korean Puppets”—KCNA headline]

[Text] Pyongyang January 27 (KCNA)—O Chin-u, member of the Presidium of the Political Bureau of the Central Committee of the Workers’ Party of Korea and minister of People’s Armed Forces, today issued a statement to the press in denunciation of the new war provocation manoeuvres of the U.S. imperialists and the South Korean puppet clique to impose a nuclear holocaust upon the Korean nation, having turned South Korea into a nuclear base.

Follows the full text of the statement:

It is three decades since the U.S. imperialists made the first shipment of nuclear weapons into South Korea. Over the past three decades since the shipment of nuclear weapons for the U.S. army units present in South Korea on January 29 and 30, 1958, was made public for the first time they have systematically deployed various kinds of nuclear weapons in South Korea, turning the southern half of Korea into a nuclear forward base.

Despite strong protest and denunciation by the entire Korean people and the world's peace-loving people they have deployed more than 1,000 pieces of nuclear weapons in South Korea, a small territory of 100,000 square kilometres at best, and turned it into the biggest nuclear arsenal in the Far East four times as much as that of the NATO member nations in terms of the density of nuclear arms deployment.

The nuclear weapons deployed in South Korea at present, from nuclear warheads that can be fired from conventional weapons and "nuclear weapons of the first generation" to tactical nuclear weapons with a some 1,000 kilometre range and notorious neutron bombs called "nuclear weapons of the third generation," comprise nearly all kinds and types of those weapons developed and deployed abroad by the U.S. imperialists. And they find their way into all regions and all military vantage points where U.S. imperialist aggression forces are entrenched.

They are not only targeted against all areas and all establishments of the northern half of the republic but also aiming at even all other socialist countries in Asia.

The U.S. imperialists' deployment of nuclear weapons in South Korea is a crude violation of the Korean armistice agreement which bans the introduction into Korea of all weapons and combat equipment from outside of the country, a sinister criminal act aimed at obstructing peace and peaceful reunification of Korea and finally unleashing a nuclear war in Korea.

Its clear instance is that the United States, escalating the "Team Spirit" joint military exercises, is staging the exercises as an extremely dangerous and adventurous nuclear test war for wholesale nuclear attack on us.

Last year too, the U.S. imperialist aggressors mobilized in the military exercises the carrier flotilla of the U.S. Seventh Fleet, "B-52" strategic bombers, "one of the three pillars" of the U.S. strategic nuclear forces, nuclear carrying "F-16," "F-15" and "F-4" planes and nuclear strike means "Lance" missiles, 155 mm howitzers, eight-inch howitzers, etc. They introduced there even the "Green Berets" called a "unit of devils" carrying backpack nukes. What is noteworthy all the more is that last year the U.S. imperialists mobilized in this war rehearsal even "E-4b", a nuclear commanding plane, which was specially designed for the U.S. President and other

military bosses to command in the air a nuclear war in case of a wholesale nuclear war and they commanded strategic operations including a mock nuclear attack.

This clearly shows that the United States attaches special importance to the military position of South Korea in carrying out its aggressive Asian strategy and regards South Korea as the hotbed of a nuclear war and an aggressive base.

It is as clear as noonday that if a war breaks out in Korea, it will inevitably turn into a nuclear war, now that a huge amount of nuclear weapons are deployed in South Korea, and will spread to Asia and the world beyond the boundary of the Korean peninsula.

The Workers' Party of Korea and the DPRK Government, true to their important national mission and international duty for peace and peaceful reunification of Korea and peace in Asia and the rest of the world, have always made all efforts possible to remove the danger of nuclear war, preserve a durable peace and create conditions for peaceful reunification on the Korean peninsula.

In order to remove the danger of nuclear war and ease the tension on the Korean peninsula, in recent years we have put forward the proposal for holding talks between the military authorities, the proposal for converting the Korean peninsula into a nuclear-free, peace zone, the proposal for holding multi-national disarmament talks for a phased arms reduction and other reasonable proposals time and again, and made persevering efforts to put them into effect.

Out of the desire to make this year a historic year for a new phase of national reconciliation and unity between the North and the South, we proposed to convene a North-South joint conference to discuss and settle such pending issues as discontinuing the "Team Spirit" joint exercise and other large-scale military exercises and holding multi-national disarmament talks, and sent a letter carrying concrete proposals to the South Korean side.

Doubtlessly, if any of those proposals advanced by the WPK and the DPRK government had been carried into effect, peace would have been ensured on the Korean peninsula and an epoch-making phase in settling the Korean question peacefully opened.

But, the U.S. imperialists who persistently pursued the policy of new war provocation in Korea, disregarding our sincere and peaceful efforts, decided to introduce more new type high-powered nuclear bombs, nuclear shells and sophisticated guided missiles in South Korea within 1-2 years from this year, overtly clamouring about "nuclear forestalling attack" against the northern half of Korea, and are drastically increasing the spendings for the upkeep of U.S. forces occupying South Korea and expenses for the construction of military establishments.

Moreover, they made the South Korean puppets fake up the "results of an investigation" into the missing passenger plane incident which has nothing to do with us as soon as they received our letter containing a peace-oriented proposal for the convocation of a North-South joint conference, in a bid to aggravate confrontation between the North and South to an extreme pitch, and strain still more the situation on the Korean peninsula, taking something like "sanctions".

The pressing situation which may lead to a nuclear war by a slight accidental case has been created on the Korean peninsula and the Korean people are faced with a serious phase of peace or nuclear war. This grave situation today when the nation stands at the crossroads of a peaceful life or destructive nuclear holocaust urgently calls upon all Koreans to come out on the nation-saving road of the struggle to prevent a nuclear war. However, the South Korean rulers, utterly indifferent to the destiny of the country and the nation, are zealously following the U.S. imperialists' moves for the provocation of a nuclear war that would bring immeasurable calamities to the whole nation and imploring for protection of the U.S. "nuclear umbrella" and their aggressor forces' permanent occupation of South Korea. Worse still, they are taking an active part in the U.S. imperialist aggressor forces' large scale nuclear war exercises directed against their fellow countrymen. The criminal acts of the South Korean puppet clique are never-to-be condoned treacheries intended to turn the whole country into the U.S. imperialists' nuclear war shambles and force our nation to fall victims to their nuclear war. I, on behalf of the entire Korean people and officers and of the People's Army, vehemently denounce the thrice-cursed nuclear war moves of the U.S. imperialists and the South Korean puppet clique to impose nuclear disasters upon our nation having converted the whole land of South Korea into a nuclear base. There is neither pretext nor ground for the United States to ship nuclear weapons into South Korea.

It is well known to the world that there is no nuclear weapon in the northern half of the republic. If the nuclear weapons deployed by the United States in South Korea are aimed at other socialist countries, the U.S. imperialists ought to withdraw them from South Korea now that they have concluded a nuclear disarmament treaty with the Soviet Union. The Korean peninsula must be converted into a nuclear-free, peace zone to meet the aspirations of the entire Korean people and all other peaceloving peoples of the world. The U.S. imperialists and the bellicose elements of South Korea should clearly know how miserable was the end of the warmaniacs who were fond of playing with fire.

If the U.S. imperialist and South Korean puppets think that they can frighten anyone with nuclear weapons, it is a serious miscalculation.

The U.S. imperialists must withdraw from South Korea at once, taking along all their nuclear weapons and aggression forces, before it is too late.

The Chon Tu-hwan-No Tae-u group must discontinue the treacherous criminal acts to exterminate the fellow countrymen, acting servants in the U.S. nuclear war, and step down from power without delay, as demanded by the people.

The Korean people and officers and men of the People's Army will always watch with heightened vigilance the reckless nuclear war provocation manoeuvres of the U.S. imperialists and South Korean puppets and answer any aggressive acts of the enemy with a thousand-fold retaliation.

The U.S. imperialists must look straight at the Korean people and officers and men of the People's Army who have the unshakable will to defend the national dignity and safeguard the inviolable land of the country as firm as a rock at whatever price.

As long as the U.S. aggression forces and nuclear weapons remain in South Korea our nation can neither be free from the danger of a nuclear war nor live in peace even a day.

I take this opportunity to express the belief that the South Korean people from all walks of life will wage a more stubborn struggle for the withdrawal of the U.S. imperialist aggression forces and nuclear weapons.

At the same time, I manifest the expectation that the parties, governments and peoples of all peace-loving countries will pay deep attention to the situation of our country over which the danger of a nuclear war is heavily hanging and continue to extend positive support and encouragement to the Korean people's just cause of turning the Korean peninsula into a nuclear-free, peace zone against the nuclear war provocation manoeuvres of the United States and South Korean puppets.

Daily Labels U.S. Sanctions as 'Provocation'
SK270144 Pyongyang Domestic Service in Korean
2150 GMT 26 Jan 88

[NODONG SINMUN 27 January commentary: "Shameless Act of the Behind-the-Scenes Accomplice"]

[Text] A few days ago, the United States announced so-called sanctions against our country in connection with the incident of the South Korean passenger aircraft and talked about a terrorist state, restrictions of visits, and the cancellation of the lifting of the ban on contacts. Thus, the United States attempted to insult and impair the sovereignty and dignity of our Republic.

On 25 January the DPRK Foreign Ministry spokesman made public a statement and sternly denounced this.

The United States, linking us with the incident of the South Korean passenger aircraft—which has nothing to do with our Republic—published the so-called sanctions. This is a despicable act to justify the South Korean

puppets' investigation results—a thoroughgoing fabrication—to encourage the anti-Republic smear campaign and to mislead world public opinion.

This is a grave provocation to impair the external dignity of our Republic and aggravate tension on the Korean peninsula to an extreme level and is a barbarous act that challenges the conscience and civilization of mankind. While we were making sincere efforts to improve Korean-U.S. relations, the United States was responding with vicious provocations against us. This shows how atrocious an enemy of our people the U.S. imperialists are.

It is clear that the incident of the South Korean passenger aircraft is a drama staged by the South Korean puppets themselves; and the results of their investigation are full of lies, tricks, and contradictions. However, why does the United States blow the flute in tune with the South Korean puppets?

Such a reckless act by the United States in itself revealed that it is the wirepuller of the incident of the South Korean passenger aircraft.

Whenever a crisis of the colonial rule was created in South Korea, the United States fabricated various smear incidents, including the Kim Tae-chung kidnap case and the incident of shooting Pak Chong-hui, and perpetrated anti-Republic provocation commotions to use in settling the crisis.

That the U.S. imperialists and the South Korean puppet clique fabricated the passenger aircraft incident and linked it with us is another stereotypical smear drama designed to repress the opposition parties and off-stage opposition democratic forces in the presidential election on the pretext of security and to extend the military dictatorship.

The United States, which, as an accomplice should be held responsible for the passenger aircraft incident that claimed the lives of our fellow countrymen, is now talking about sanctions, a terrorist state, and so forth while slandering us, like a thief crying: Stop thief! This is, indeed, a brigandish logic reversing black and white.

This act, which constitutes the extreme point of viciousness, shamelessness, and despicableness, can be perpetrated only by such robbers as the U.S. imperialists, who completely discarded the conscience of man.

The terrorist state is not our Republic, but the United States itself. The criminal records of the U.S. imperialists—who more than one hundred times since World War II perpetrated armed interference in many nations of the world; who murdered a number of progressive figures; who repressed with armed forces the newly born countries of Grenada and Dominica, which were advancing toward independence; who threatened Libya, which pursued anti-imperialism for independence, by attacking it with armed forces, not by declaring war; who

made a surprise attack against Iranian territory with a commando operation; and who committed other brutal acts—show that the United States is, indeed, the greatest terrorist state, the ringleader of international terrorism, and the head of aggressors.

How can the United States, which routinely commits undisguised armed intervention, sinister intrigues, and subversive activities everywhere in the world by carrying on aggression and plunder against foreign countries as a way of survival and terrorism as an important means of the policy of overseas aggression, dare to affix a label of terrorist state on anyone and babble about sanctions against anyone?

Moreover, it is endlessly ridiculous that those who have stretched the talon of aggression into our country throughout the century and who have occupied the southern part of our fatherland for more than 40 years, committing terrorism, destruction, and massacre, clamor about sanctions against our Republic, which is a victim.

As for sanctions, in reality, which should impose or have sanctions imposed against them: our Republic or the United States?

As was pointed out in the Foreign Ministry spokesman's statement, from the historical point of view and in view of the recent passenger plane incident, our Republic, as the one which has suffered because of the United States, has the august right to take steps even more severe than the sanctions against it.

Our people, who have suffered indescribable misfortunes and disasters because of the U.S. imperialists, have due cause for defending their dignity by all means and ways.

The United States, which is the ringleader of international terrorism, the brigandish aggressor against Korea, the fiendish murderer and criminal who has killed our numerous patriots and people on Cheju Island, Taegu, Yosu, Sunchon, and everywhere it has stepped in South Korea by imposing military rule from the first day of its occupation there, and who is the ringleader who masterminded the Kwangju disaster, must be duly indicted for an international trial.

For those of us who suffer the U.S. imperialists' continuing aggression, it is no surprise at all, even if they suddenly take sanctions.

Through the Foreign Ministry spokesman's statement, our Republic made clear that, although we consider that the Korean-U.S. relations should be improved for the peaceful settlement of the Korean question, we have no intention of begging the United States for the settlement of the question, and declared that, as a countermeasure to the U.S. sanctions, from 1 February 1988 we will not

contact any U.S. diplomat in the international arena, will not permit people of U.S. nationality to enter our country, and will not have any negotiation concerning the remains of Americans.

This is an absolutely due and just stand and step.

Our Republic can live without dealing with the United States; and, without the United States, our nation will live in peace in a reunified fatherland.

The United States, together with the South Korean puppets, must immediately stop such reckless acts as aggravating North-South confrontation and tension on the Korean peninsula and mocking the conscience of the world by resorting to foolish and despicable intrigues; it must withdraw from South Korea without delay, along with its nuclear weapons and aggression forces, before clamoring about so-called sanctions against us.

If the United States lends no ear to this warning but continues to impair the sovereignty and dignity of our Republic and to aggravate the situation on the Korean peninsula, it will get nothing but stern retaliation and destruction.

CPRF Briefs Press on Relations With South
SK270455 Pyongyang KCNA in English
0432 GMT 27 Jan 88

[Text] Pyongyang January 27 (KCNA)—The Secretariat of the Committee for the Peaceful Reunification of the Fatherland called a news briefing at the People's Palace of Culture on January 26 to inform home and foreign reporters of the prospect of developments in South Korea and some noteworthy problems in the North-South relations this year.

The briefing was made by Chon Kum-chol, director of the CPRF secretariat.

Referring to the prospect of developments in South Korea, he said: What is noteworthy in the South Korean puppets' policy is that they are trying to push ahead with "coalition of conservative forces" under the slogan of the socalled "democracy and concord" under the manipulation of the United States and scheming more viciously to crack down upon even the slightest anti-"government" elements in cold blood under the pretext of "cleaning up leftist pro-communist forces".

Another aspect of the prospect of developments in South Korea is that the mass movement is likely to surge higher. It is primarily because the ardent desire of the people for the termination of the military government and for the civil government has not been realized in the "elections".

Possible spread of the mass movement in South Korea can be explained by the fact that the South Korean military fascist "regime" can not meet the growing

demand of tens of millions of people for independence and democracy, whereas core elements of struggle are growing and fighting organisations are being readjusted and reinforced and there are many political occasions on which the struggle of the popular masses will gain momentum, he said.

Touching upon some noteworthy problems in the North-South relations, Chon Kum-chol accused the South Korean authorities of carping on us with their announcement of the "results of investigation" into the KAL incident right after they took over our letter containing a proposal for the convocation of a North-South joint conference. Judging from this, one may say that they have no willing to hold dialogue [as received] with us and relax the tension with sincerity, he said, and went on:

If the South Korean puppets maintain a stance of confrontation, not responding to our proposal, the North-South relations will grow worse.

As for the "defence policy" of the South Korean puppets, they are not willing to ease the situation on the Korean peninsula but still keep going toward war and showdown. If they pursue arms buildup and stage large-scale military exercises this year, too, on the pretext of "threat from the North", the tension would inevitably be heightened and the situation on the Korean peninsula is likely to grow acute.

We, he said, will make all our patient efforts for the convocation of a North-South joint conference and for cohosting the Olympic games. He demanded that the United States and South Korean rulers immediately stop reckless anti-DPRK smear campaign over the KAL incident.

Papers Observe India's National Holiday
SK261052 Pyongyang KCNA in English
1046 GMT 26 Jan 88

[Text] Pyongyang January 26 (KCNA)—Papers here today observe the 39th anniversary of the founding of the Republic of India.

In a signed article NODONG SINMUN says that the Indian people have made great achievements in the struggle to defend the sovereignty of the country and build a prosperous India since the proclamation of the republic.

The paper goes on to say:

The Korean people are sincerely rejoiced over achievements made by the Indian people.

The Republic of India pursues a non-aligned policy. It is striving for the development and strengthening of the Non-Aligned Movement and for nuclear disarmament and universal peace and for the conversion of the Indian Ocean into a peace zone.

Korea and India are linked with the close bonds of friendship.

The peoples of the two countries closely support and cooperate with each other in the building of a new society for their common past and goals of struggle today.

The Korean people set store by the friendship with the Indian people and endeavour for its development and strengthening.

They warmly greet the Indian people on the 39th anniversary of the founding of the Republic and wish them greater success in their struggle for the building of a new society.

MINJU CHOSON says that the founding of the Republic of India was an event which brought about a fundamental change in the life of the Indian people and they have since made endeavours to build a new life.

'Positive Support' Given to Nicaragua
SK230455 Pyongyang KCNA in English
0446 GMT 23 Jan 88

[Text] Pyongyang January 23 (KCNA)—The Korean people always extend positive support to the struggle of the Nicaraguan people for safeguarding the precious gains of the revolution and peace in the country and voice firm solidarity with it.

So stresses NODONG SINMUN today in a signed commentary titled "Sincere Peaceloving Step of Nicaragua". Referring to the fact that recently Nicaragua announced that it would lift the state of emergency throughout the country, hold direct talks with contras for peace and grant amnesty to all political prisoners, the daily says:

The recent step of the Nicaraguan Government stems from its sincere stand to implement the Central American Peace Agreement adopted at the summit meeting of five Central American states held in August last year and achieve at any cost the peaceful settlement of the Nicaraguan question. This shows that the Nicaraguan government is exerting all sincere efforts, making concessions and showing magnanimity repeatedly for the solution of the Nicaraguan question, as committed itself to the Central American peace agreement.

A key link in peacefully settling the Nicaraguan question in accordance with the Central American Peace Agreement is for the United States to put an end to its intervention and discontinue support and aid to the contras clique, the counter-revolutionary bandits. If the United States respects the Central American Peace Agreement and desires the peaceful settlement of the Central American question, it must stop interference in the Central American question and all support and aid to the contras counter-revolutionary bandits.

Now that the Nicaraguan Government has taken an epochal step this time, there can be no reason or pretext for the United States to refuse to end support and aid to the contras clique.

Daily Praises Leadership Traits of WPK
SK251035 Pyongyang KCNA in English
1023 GMT 25 Jan 88

[Text] Pyongyang January 25 (KCNA)—NODONG SINMUN today says that the militant spirit and traits of the Workers' Party of Korea, a revolutionary party and a fighting party, lie in that it breaks through all sorts of trials and difficulties under the slogan of "advance, advance, struggle and advance."

The author of the article titled "It Is an Important Characteristics of Our Party's Activity To Pave the Way of Revolution Through Struggle" says that it is our party's important leadership trait to win victory by leading the popular masses to the struggle and organize and lead another advance for greater victory.

What is important in our party's leadership trait in paving the way of revolution through struggle is that our party raises a high goal in any circumstance, breaks through it with bold struggle and pushes ahead with the struggle with the mobilization of the chuche-based strength to the maximum, always regarding the chuche idea as a guiding compass, the article says, and continues:

Our party has always set bold targets on the basis of the scientific analysis and judgement of subjective and objective conditions.

Thanks to the great leadership of our party which always sets up bold targets and guides to obtain them, amazing innovations and changes have been constantly effected in our country and the socialist construction in our country is progressing apace in the spirit of chollima spurred on by the speed campaign.

Our party is displaying its honor as a party constantly fighting and advancing because it regards the chuche idea as a guideline.

The chuche idea of the great leader Comrade Kim Il-song is a great revolutionary idea whose scientific nature and revolutionary character are united. Having such a revolutionary idea as a guiding idea, our party is a party which brings about uninterrupted innovation and advance, not stopping its struggle even a moment.

Our party always believes the chuche-based strength and firmly depends on it in the drive for the revolution and construction. Each time a difficult task and big bottleneck confronted our party, it awakened the popular masses and positively organized and mobilized their strength.

A clear example of this is that our party put forward the slogan of "Let whole party go among the masses" and directs all party organizations and functionaries to go among the masses as required by the great leader's work method and mobilize them.

To wage struggle, carrying forward the revolutionary spirit of Mount Paekdu, the spirit of the anti-Japanese struggle is one of the most important characteristics in our party's leadership traits as a party paving the way of revolution through struggle.

The revolutionary spirit of Mount Paekdu with which the anti-Japanese revolutionary fighters firmly believed only their leader in the struggle under any circumstances serves as a militant banner and an impetus inspiring our party and people to continuous struggle.

Acceleration of Industrial Construction Urged
*SK261146 Pyongyang Domestic Service in Korean
2122 GMT 12 Jan 88*

[NODONG SINMUN 13 January editorial: "Let Us Expand and Strengthen the Foundations of Production and Technology in the Key Industries"]

[Text] While upholding the great leader Comrade Kim Il-song's New Year's address for this year with great joy and gratitude, the functionaries and working people of key industries, along with all other people, are now filled with new courage and confidence in launching the new year's battle.

This year—the second year of the Third 7-Year Plan—the key industries face heavy tasks to further expand and strengthen their foundations of production and technology.

The great leader Comrade Kim Il-song has taught: Above all, we should continue to exert great effort on construction projects to expand and strengthen the foundations of production and technology in the power, coal, and metallurgical industries and in other key industries.

Expanding and strengthening the foundations of production and technology in key industries are important to the struggle to further nourish the might of the self-reliant national economy and attain the new long-range goals.

The key industries are material foundations in developing the self-reliant national economy. If key industries, as the backbone of the people's economy, are not ceaselessly developed, the economy cannot be developed at a high speed. Only when the foundations of production and technology are expanded and ceaselessly strengthened in key industries can firm priority be given to the production of resources, materials, fuel, and power, and can production be stabilized at a high level in all sectors of the people's economy.

Strengthening the economic might of the country and improving the people's standard of living also depend on developing key industries.

Under the wise leadership of the party and the leader, we have established strong key industries, which depend on our own resources, materials, and technology.

However, today's reality, in which we struggle to occupy the high peaks of the far-reaching Third 7-Year Plan and accelerate the complete victory of socialism, demands that the foundations of production and technology be further expanded and strengthened in key industries.

The great leader Comrade Kim Il-song, through his scientific insight into the situation of the socialist economic development, has put forth as our main task of the socialist construction for this year to more vigorously accelerate the great new march of construction, for which we have already made giant strides, and has given teachings on continuing to place great efforts on construction projects to expand and strengthen the foundations of production and technology in key industries.

The power, coal, and metallurgical industries are most important among key industries.

Power is the basic energy for production and the main force of the people's economy. Only when there is enough power can all sectors of the people's economy vigorously advance.

Coal is the nutrition of chuche industry. Thus, the coal front is a preferential area where we should continue to place emphasis. Overall economic development largely depends on coal production.

In addition, only by effecting upsurges in the metallurgical industry can machines be produced and the great march of construction be stepped up more vigorously.

Thus, the struggle to expand and strengthen the foundations of production and technology in the power, coal, and metallurgical industries and in other key industries is a rewarding struggle to provide firm guarantees to successfully occupy all peaks of the new long-range plan and to epochally improve the people's standard of living. The struggle is a heavy but honorable task to achieve the prosperity and development of the fatherland.

Our functionaries and working people should correctly realize the significance of the key industries and gallantly carry out the struggle to expand and strengthen their foundations of production and technology.

In this regard, it is most important to display the revolutionary spirit of unconditionally accomplishing the militant tasks put forth by the party.

The great leader Comrade Kim Il-song, in his new year address for this year, specifically elucidated the tasks to expand and strengthen the foundations of production and technology in the power, coal, and metallurgical industries and in other key industries.

The functionaries, working people, and KPA soldiers of these sectors, as did the builders of the Sohae Lockgate, should unyieldingly set forth schedules of battle and struggle by regarding the dates of completion set by the party as an absolute yardstick. By so doing, they should thoroughly meet the deadlines for the completion of construction projects.

In battle, victory is not automatically won. If we are firmly determined to accomplish the task set by the party without fail, rack our brains, and make strenuous efforts, we can occupy any fortress.

The KPA soldiers and construction workers assigned to the construction projects to expand the production capacities of key industries and assigned to the construction of plants, by displaying the revolutionary spirit of self-reliance and arduous struggle, should overcome mounting difficulties by themselves and turn unfavorable conditions into favorable conditions. They should accomplish the assigned tasks of construction without fail, further expand and strengthen the foundations of production and technology in key industries, and make their productions reach a new high level.

The task to expand and strengthen the foundations of production and technology in key industries can win success only through the revolutionary organizational work of functionaries. The task to expand and strengthen the foundations of production and technology presents difficult and complicated problems in improving the facilities of existing plants and enterprises and increasing their production capacities to the maximum.

This demands that functionaries adhere to organizational work under even more revolutionary working styles. The functionaries of the concerned sectors should plan all work boldly and carry it out on a large scale and in a lightning fast manner.

In expanding and strengthening the foundations of production and technology in key industries, construction is most important.

Power plant construction to create more than 1.2 million kilowatts in power production capacities during the first half of this year, the development of coal mines, the construction projects to increase ferrous metal production capacities, and other construction projects to expand and strengthen the foundations of production and technology in key industries should all be completed in short construction periods and through huge amounts of work.

The commanding staffers in charge of construction projects should more meticulously plan their organizational work and carry out their command work competently, as their tasks become more difficult. With available facilities, manpower, and materials, they should reduce the time required to complete their construction projects to a minimum.

If they are not familiar with reality, functionaries cannot properly push ahead with the great march of construction.

All commanding staffers in construction, according to the demands of the great leader's working style, should go deep among the construction sites and specifically grasp reality. They should rationally distribute and utilize manpower, facilities, and materials to win even greater success.

In particular, guidance functionaries should correctly assign tasks for their lower units and individual workers. At the same time, they should regularly check and summarize status and work out positive measures to carry out construction projects of key industries at a rapid pace.

Meanwhile, functionaries of the industries should boldly plan and substantially carry out the work to improve the facilities of existing plants and enterprises into even more efficient and precise modern facilities and increase their production capacities to the maximum.

Construction projects to expand and strengthen the foundations of production and technology in key industries are where nation-wide efforts should be assigned.

The success won in the first-phase construction of the Songon Dam of the Taechon Power Plant, the success won in successfully carrying out the huge construction project of the Sunchon Vinalon Complex and, in the beginning, to produce carbide there, and all other innovative successes won in major construction projects are the result of the heroic struggle of construction workers and of proper support work.

The great leader Comrade Kim Il-song has given teachings on placing great efforts on construction projects to expand and strengthen the foundations of production and technology in key industries in stepping up the great march of construction this year.

This contains the demand to place the efforts of state on increasing the production capacities of key industries. All sectors of the people's economy should guarantee a timely and preferential supply of materials and facilities needed for power plant construction, expansion and development of coal mines, and construction to increase iron and steel production capacities.

Supply work can be properly carried out only when functionaries possess correct views. The functionaries of committees and ministries of the State Administration Council and the functionaries of plants and enterprises should make new upsurges to be effected in construction projects to increase the production capacities of the power, coal, and metallurgical industries and other key industries by upholding the great leader Comrade Kim Il-song's teachings on continuing to place great efforts on construction projects to expand and strengthen the foundations of production and technology in key industries and by concentrating funds, facilities, materials, and manpower.

In the great march of construction, success depends on organizing and mobilizing the revolutionary zeal and creative optimism of the masses.

The party organizations and functionaries of units in charge of construction projects of key industries should make construction workers deeply grasp the contents of the great leader Comrade Kim Il-song's new year address and should vigorously encourage them to display the spirit of mass heroism and devotion in implementing it.

The party has great trust and expectations in the KPA soldiers and construction workers assigned to construction projects to increase the production capacities of key industries. The functionaries, construction workers, and KPA soldiers of this sector, as they did in the past, should display the honor of a victor again by creating the amazing speed of construction in the great march of construction by upholding the revolutionary banner of the chuche idea under the leadership of the party.

Kim Chong-il View of Societal Harmony Hailed
SK271017 Pyongyang KCNA in English
1005 GMT 21 Jan 88

[Text] Pyongyang January 27 (KCNA)—Dear Comrade Kim Chong-il, on the basis of a profound analysis of the essential superiority of a socialist society, propounded the theory that the interests of the community and those of individuals are harmoniously combined in this society, says NODONG SINMUN in a signed article Wednesday.

The article entitled "Harmonious Combination of Communal and Individual Interests in Socialist Society" says:

Our party's theory on the harmonious combination of the communal and individual interests in a socialist society holds an important place in the theory on the advantages of a socialist system.

Comrade Kim Chong-il, member of the Presidium of the Political Bureau, and secretary, of the Central Committee of the Workers' Party of Korea, said:

"The interests of the community and the interests of individuals are harmoniously combined in a socialist society."

This theory is based on a scientific analysis of the essential advantages of a socialist system.

The socialist society is superior in that all its members share in weal and woe, helping and pulling along one another under the motto "one for all, and all for one."

In the socialist society, the interests of individuals and those of the community are closely linked, and they agree with each other in essence; the interests of the community mean the interests of the working people themselves, and the interests of each of them are part of the interests of the social community.

The social ground for the harmonious combination of the communal and individual interests in a socialist society is that the power and the means of production are in the hands of the working masses.

This theory also gives a scientific solution to the question of the management of the socialist system by collectivist means.

The correct way of combining the interests of the community with those of individuals in a socialist society is to run the socialist system by collectivist means.

The collectivist means makes it possible to develop society in accordance with the essential requirement of the socialist system and ensure the interests of individuals.

Collectivism does not ignore the interests and creativity of an individual, but holds them dear. Collectivism means, in essence, that all members of society share in weal and woe, helping and pulling each other along.

The realities of Korea fully prove the validity of our party's theory on the harmonious combination of the communal and individual interests in a socialist society.

In our society, the interests of the community and those of individuals are harmoniously combined, and all members of society are forging ahead, closely rallied as a socio-political organism.

South Korea

Ministry Plans To Promote Tourism With North
SK270134 Seoul YONHAP in English
0118 GMT 27 Jan 88

[Text] Seoul, Jan. 27 (YONHAP)—The South Korean Transportation Ministry said Wednesday it plans to promote tourism exchange with North Korea to promote the tourist industry after this year's Seoul Olympics.

In briefing President Chon Tu-hwan on its major policy programs, the ministry also said it will move ahead with boosting tourism exchange with China, the Soviet Union and other communist bloc nations with which Seoul has no diplomatic relations.

The ministry projected that daily traffic population in Seoul will soar from 18.6 million people last year to 21.6 million people in 1991. To cope with the expected traffic jam in the capital city, the ministry plans to set up a traffic control organization, it said.

Meanwhile, the Justice Ministry said in a briefing for Chon that it has decided to form an anti-terrorism task force to help ensure the successful stage of the summer games.

As a preventive measure against terrorist acts to scuttle the Olympics, the ministry will collect data on international terrorists and prevent lawbreakers from entering the nation or fleeing the country, it said.

No Tae-u Plans Summit With U.S., Japan

SK271110 Seoul *TONG-A ILBO* in Korean
27 Jan 88 p 1

[Text] It was learned that after he is sworn in on 25 February this year, President-elect No Tae-u plans to hold summit talks with U.S. and Japanese leaders during the first half of this year at the earliest to lay the foundation for new diplomacy suited to the Sixth Republic and to cement the existing diplomatic relations with these countries. He also plans to actively push ahead with diplomacy toward the communist countries by expanding trade relations with such East European countries as Hungary, Yugoslavia, and Poland.

As for ROK-U.S. summit talks, President-elect No reportedly is considering two options: his own visit to the United States and extending an invitation to U.S.-President Reagan to visit Korea. The first round of ROK-Japan summit talks will be held following President-elect No's inauguration ceremony on 25 February in which Japanese Prime Minister Noboru Takeshita is expected to participate and the second is likely to take place when No goes to Japan returning the Japanese Prime Minister's visit to Korea.

In this connection, Foreign Minister Choe Kwang-su, briefing President-elect No on Foreign Ministry affairs on 26 January, said: We are actively studying the possibility of your visit to Japan in return for the Japanese Prime Minister's participation in your inauguration ceremony, while thinking positively as to when and how to hold ROK-U.S. summit talks.

Commenting on President-elect No's visit to Japan and ROK-U.S. summit talks, a government official said: It is out of the need to have close consultations with our traditional allies such as the United States and Japan to establish an independent national diplomacy as the

foundation for its foreign policy and to actively push ahead with diplomatic efforts toward the North that we are pushing ahead with summit talks with the United States and Japan. However, we have not finalized anything yet as to when and how to hold such summit talks.

Rules Out Foreign Policy Change

SK270131 Seoul *THE KOREA HERALD* in English
27 Jan 88 p 2

[Text] President-elect No Tae-u yesterday said there will be no abrupt change in the government's foreign policy after he is sworn in on Feb. 25.

"Foreign policy and the administration of foreign affairs do not allow for a sudden change or discontinuity," No said.

He made the remark after receiving briefings from Minister of Foreign Affairs Choe Kwang-su and Minister of National Unification Ho Mun-to at his Samchong-dong office.

"While strengthening friendly relations with the United States, Japan and West European countries, we should solve security, trade and other problems," No said.

The government should also make greater efforts to develop closer ties with nonaligned and Third World countries, he said.

Korean diplomacy, however, should be based on the Korean people's self-respect, he said.

Korea's image abroad will be improved by the Seoul Olympics, he said.

No said one of his government's primary goals will be to secure peace on the Korean peninsula.

The Ministry of Foreign Affairs should gather the opinions of domestic and foreign scholars and reflect them in foreign policy for peace on the peninsula, he said.

While conducting research on national unification, he said, the government should prevent North Korea, which destroyed a South Korean airliner last November, from engaging in terrorism again.

'Relentless Korea-Bashing' in U.S. Examined

SK260030 Seoul *THE KOREA TIMES* in English
27 Jan 88 p 8

[Text] "Political Prattle" column by Han Nae-pok: "A Sword of Damocles"

[Text] Korea bashing has lately become a popular sport in deficit-obsessed Washington, as it is increasingly frustrated at what it perceives as Korea's lack of action to address its surging trade surplus with the United States.

Due to the government's hush-hush policy, however, few ordinary people had any inkling of the gravity of the situation until only a few weeks ago.

The Korean public was thus taken aback when it learned that Deputy Prime Minister Chong In-yong had flown to Washington during the New Year's holidays to head off a threatened U.S. trade retaliation. Only then did it transpire that Washington had warned it would invoke "Section 301" to block the import of Korean cars and electronics unless Seoul kept its last summer's promise to give American beef and tobacco exporters and insurance companies increased access to the domestic market by the end of 1987.

Section 301 is a clause of the U.S. Trade Law of 1984 that empowers the American president to retaliate against a country refusing to cease "unfair trade practices," usually by slapping punitive tariffs on selected imports from the country. With Section 301 thus hanging over Korea like a sword of Damocles, Chong and his delegation pleaded for more time to resolve the politically sensitive trade issue with a view of avoiding their impact on the National Assembly elections expected to be held in early spring. In fact, the Korean-American trade wrangling had been kept under veil for fear that it would adversely affect the rural vote in the presidential election last December.

In particular, American beef is an anathema to Korean farmers who haven't forgotten the cattle market crash in late 1983 which was caused by the government's helter-skelter policy of bringing in unwarrantedly huge quantities of foreign beef and beef cattle in reaction to an earlier beef shortage. At least two bankrupt cattle growers were reported to have committed suicide at that time.

Although the government says only high-grade beef for tourist hotel use, which should account for only 1 or 2% of total domestic consumption of beef, will be allowed in, farmers, still haunted by the 1983 nightmare and unhappy with the still depressed domestic cattle market, have been demonstrating angrily against the "secret sellout." They fear this will lead to further liberalization in the imports of beef and other farm products. In fact, Korea has been under increasing pressures to open its market wider to a dazzling variety of U.S. agricultural commodities. The U.S. Department of Commerce now targets Korea as the "fifth largest potential market" in its drive to boost America's farm exports.

Some time back, Washington pressured Korea into permitting the import of hitherto illegal foreign cigarettes. It is now demanding drastic cuts in import duties and other levies on American cigarettes so that they will be price-competitive with domestic brands. Korean tobacco growers are fearful that this would drive many of them into bankruptcy, because demand for their leaf tobacco would decrease sharply.

Chong's visit to Washington only signaled the beginning of possibly endless haggling over Washington's long list of trade grievances. Also high on the agenda is a long-standing demand for major cuts in tariffs on manufactured imports. Although Korea claims to have "liberalized" over 90% of international trade items, foreigners, European as well as Americans, regard this largely as only a "cosmetic" move, since prohibitive duties have been imposed on many "freed" products.

For example, the European Economic Community this month has suspended its "generalized system of preferences" (GSP) benefits for Korea to indicate its displeasure over Korea's import barriers. GSP is an arrangement among advanced countries to reduce or eliminate duties on some manufactured goods from developing countries to help in their industrialization. Richard Gephardt, a Democratic presidential hopeful, has noted that small Chrysler K-car sell in Korea for US \$48,000 because of high tariffs. Gephardt, a leading protectionist in Congress, proposes that Hyundai be forced to sell its cars for similarly high prices in the United States unless the Korean government reduces tariffs on U.S. auto exports.

Even more important, the U.S. government is stepping up pressure on Korea to revalue its won currency upward relative to the American dollar to make Korean products more expensive in America and American goods cheaper in Korea. Won appreciation scares Korean exporters because this could wipe out their profits and even wreck their businesses.

However, Washington is reportedly determined to continue its relentless Korea bashing until it is satisfied that the Korean market is "as nearly open to America as the American market is to Korea." Astonished by the sudden intensification of Korea bashing, government officials are now hurriedly mapping concrete steps to progressively meet U.S. trade demands without hurting Korea's own essential economic interests. This delicate balancing act, however, is certain to necessitate painful readjustments of Korean industries. Trade bickering across the Pacific thus appears bound to grow even more hectic in the years to come.

U.S. Seeks New Trade Negotiations at GATT
SK270151 Seoul *THE KOREA TIMES* in English
27 Jan 88 p 1

[Text] The United States will start afresh negotiations with the Korean government over imports of beef at the headquarters of the General Agreement on Tariffs and Trade (GATT) in Geneva, Switzerland.

It was reported yesterday that the U.S. government and recently instructed its GATT mission to start negotiations with the Korean GATT delegation over imports of beef.

The U.S. position means that Washington will formally lodge a petition against the Korean government over the issue of beef imports with the international watchdog on global trade and customs duties.

As a result, the United States will not take the step of resorting to Section 301 of the U.S. Trade Act which stipulates the most retaliatory trade action even though its cattle raisers want to do so.

According to the rules of GATT, the United States should negotiate with the Korean government over the issue of beef imports before formally filing a petition with the international organization.

It is generally expected that the government will endeavor to solve the issue through negotiations in Geneva before the United States lodges the petition with GATT.

The United States has called upon the Korean government to import top quality beef for use at tourist hotels before the Seoul Olympic Games slated for Sept. 17-Oct. 2 as well as to import general-consumption beef from Dec. 1 this year.

However, the government recently told the United States that it is hardly in a position to allow general beef in, thereby raising a spate of complaints from the U.S. Trade Representatives and U.S. cattle raisers.

The United States is also demanding that ribs should be included in imports of top quality beef, a government source said.

Meanwhile, U.S. industries are likely to file suits against Korea for alleged violation of Section 301 of the U.S. Trade Act even in connection with intellectual property rights such as copyrights and patents, government officials said.

The U.S. government has also been urging Korea to open its market for 66 agricultural products and to lower tariff rates on another 447 items -360 manufactured goods and 87 farm products.

They said two U.S. pharmaceutical companies have been preparing suits against two Korean firms for alleged violation of Section 301 in connection with patent rights.

The U.S. firms are Bristol Meyers and Squibb and their Korean adversaries are Dong-A Pharmaceutical and Boryung Pharmaceutical.

A U.S. cosmetics maker, Estee Lauder, has also claimed that Korean cosmetics manufacturers have stolen its trademarks.

In addition, a U.S. copyright association and the recording industry have been recommending that the U.S. government reinvoke Section 301 against Korea. They alleged that Korean audio and disc makers have continued to import copied recordings and duplicate them.

The U.S. publishing industry has also claimed that some 2 million unauthorized copies of books and scientific, technical and medical journals in Korea are still being sold in Korea.

In the circumstances, the government plans to hold working-level talks concerning the protection of copyrights and patents with the U.S. side soon.

But the differences are too great between the two sides. Probably the related domestic industries face invocation of the section.

EC, Other Countries Condemn KAL Bombing
SK270142 Seoul *THE KOREA HERALD* in English
27 Jan 88 pp 1, 5

[Text] The 12 member countries of the European Community Tuesday jointly condemned the Nov. 29 destruction of a KAL airliner, saying they have taken note of indications implicating a north Korean woman in the incident.

"The twelve take note of the findings of the Korean authorities' investigation into the destruction of Korean Air flight 858 on Nov. 29, 1987, and of the presently available indications implicating a north Korean woman in this incident," they said in a statement.

The statement continued, "The twelve deeply regret the tragic loss of 115 lives. They have repeatedly expressed their strong condemnation of terrorist acts against civil aviation.

"They vigorously condemn this particularly despicable attack against a Korean civil aircraft and wish to draw the attention of relevant international agencies to this incident. They express the hope that the situation on the Korean peninsula will not be affected by this criminal act."

The EC members are Britain, West Germany, France, Italy, Belgium, the Netherlands, Luxembourg, Denmark, Spain, Portugal, Greece and Ireland.

Canada, the Philippines, Kenya and Oman have condemned the Nov. 29 bombing of a Korean Air passenger jet as a terrorist act, the Foreign Ministry said yesterday.

They brought to 21 the number of countries which have issued statements deplored the incident engineered by north Korea.

The Canadian Department of External Affairs was reported as saying on Tuesday that the KAL incident has promoted the Canadian government to renew its vigorous condemnation of all acts of international terrorism.

"Canada will examine closely the public testimony of Kim Hyon-hui in Seoul together with the available physical evidence of the crash of KAL 858. Any link established with north Korea would be viewed very seriously.

"Canada has in the past joined with like-minded governments to implement sanctions against countries which have sponsored those who act outside internationally accepted norms by bringing about the loss of innocent lives in a political cause."

The department then said Canada will work closely with others to broaden international cooperation against terrorism.

The Philippines has condemned the bombing of a KAL airliner as a "heinous act of terrorism" which "may have involved a government."

"The Philippines is appalled by the heinous act of terrorism behind the midair bombing explosion of Korean Air flight 858 on Nov. 29, 1987, over the Andaman sea, particularly since it may have involved a government," a statement released Monday by the Department of Foreign Affairs.

"Such acts of criminal violence which utterly disregard human lives can only be viewed by the peace-loving nations with abhorrence and condemnation.

"The Philippines condemns the perpetrators of this barbaric action and joins concerned nations in appealing for the full force of the law in the treatment of the persons responsible for it.

"It calls on all civilized states to redouble vigilance in air travel so as to prevent a repetition of such crimes," the statement said.

The Omani government issued a statement Monday condemning "all means of terrorist acts, particularly those which destroy the innocent victims' lives."

"The Sultanate expresses regret and denial for this incident which destroyed the lives of 115 passengers who were on board the ill-fated south Korean civilian plane. It contravened laws and international rules. The Sultanate hopes to avoid such acts of sabotage which lead to human disaster," it said.

Kenya said it views "with serious concern" the KAL plane incident as an act of terrorism.

In a statement released Friday, it said, "The government reaffirms the support for the pertinent U.N. General Assembly resolutions condemning terrorist acts of hijacking or blowing up of civil aircrafts.

It then called for urgency in speeding up practical measures on cooperation for the speedy elimination of international aircraft terrorism.

"Kenya, in conformity with international norms, strongly condemns the barbaric bombing of the Korean airliner with the loss of so many lives and calls upon the international community to condemn unreservedly whoever was responsible for this act.

"The government wishes to stress that terrorism threatens people and states in their entirety and calls upon the international community to be far-sighted and to formulate a more resolute international approach to combat aircraft terrorism," the statement said.

Government Seeks To Form Antiterrorist Group
SK260307 Seoul *THE KOREA HERALD* in English
26 Jan 88 p 1

[Text] Minister of Foreign Affairs Choe Kwang-su yesterday said the government is seeking to establish a joint antiterrorist body for the Seoul Olympics with the United States, Japan and other countries.

Testifying before the Foreign Affairs Committee of the National Assembly, Choi said the government is also closely cooperating with the International Olympic Committee on security.

"The government will take all measures possible to ensure the safety of athletes participating in the Olympics and the smooth operation of the Games," Choe said.

Referring to the north Korean destruction of a south Korean jetliner last November, he said the government had strongly condemned Pyongyang and demanded punishment of those responsible.

But he added the government is acting discreetly in consideration of inter-Korea relations and Seoul's hosting of the Olympics.

The Soviet Union and China, he said, reacted differently to the north Korean terrorist act by refraining from their past practice of unconditionally supporting Pyongyang.

The Soviet news agency TASS and newspapers reported north Korean allegations about the destruction of the airliner, the foreign minister said.

However, the Soviet response obtained through other channels or third countries was quite different from the Soviet news media accounts.

The Soviet Union did not want tensions to be increased on the Korean peninsula by the airliner bombing, Choe said.

China did not make any comment other than their opposition to terrorism, he added.

The committee adopted a resolution condemning north Korea for the destruction of a south Korean airliner last November.

The resolution demanded north Korea acknowledge its responsibility for the deaths of 115 people aboard and make a public apology for its crime to the bereaved families, the Korean people and all people of the world.

North Korea should punish the culprits, compensate the bereaved families and vow never to massacre innocent people again, it said.

It also urged all states and international agencies to punish north Korea for its terrorism and contribute to securing peace and freedom on the Korean peninsula.

Soviet Sports Official Comments on Olympics
SK270829 Seoul *THE KOREA TIMES* in English
27 Jan 88 p 12

[Excerpt] The people of the Soviet Union have applauded their National Olympic Committee's decision to take part in the 1988 Seoul Olympic Games, a Soviet sports leader said here yesterday.

Yacheslav Krayushkin, chief of the Soviet team to the '88 World Junior Speed Skating Championships, said that major dailies of his country have carried numerous stories and photographs about Korea amid the people's "affirmative response" to their athletes' competition in Seoul.

The Soviet Union announced its participation in the Seoul Games on Jan. 17, despite North Korea's threat to lead a Communist boycott unless its co-host demand is accepted.

In a press conference he held at Kimpo International Airport upon his arrival, Krayushkin, the first Soviet sports official to be here since the announcement, said the Russian athletes and officials are rendering their utmost energies to produce fruitful results in Seoul.

The 13-member Soviet, contingent, composed of four male and three female skaters and six officials, will have warm-up session today and tomorrow to prepare for the world junior speed festival which kicks off the three-day competition Friday at the Taenung International Ice Rink.

The Seoul championships drew a total of 104 skaters from 17 nations, including East Germany, the United States, Sweden, Canada and West Germany.

According to Krayushkin, the Soviet athletes are undergoing intensive and systematic trainings in all Olympic sports. Twenty-three sports will be competed in the Seoul Games, with 237 gold medals at stake.

"We came here with the largest contingent of 13 athletes and officials to learn many things about the Seoul Olympics," the team leader said. "My boys and girls are excited about visiting the Olympic host city of Seoul." [passage omitted]

To Enter Secui Boxing Tournament
SK270258 Seoul *YONHAP* in English
0129 GMT 27 Jan 88

[Text] Seoul, Jan. 27 (YONHAP)—The Soviet Union decided to participate in the Seoul Cup International Boxing Tournament slated for March 14-20, the Korea Amateur Boxing Federation said.

Sources at the federation said that the Soviet Union informed officially to the federation that it will send seven officials and nine boxers to compete in the tournament.

The Soviet Union will compete in nine out of the 12 weight divisions, except for feather, welter and light welterweight classes.

The Soviet Union is the first country to notify officially its entry in the competition, although 12 countries, including the United States, East Germany, Bulgaria, Hungary, China and Taiwan have informed their intention to participate in the games.

The entry list of the Soviet Union includes Akopkokhyan Israil, gold medalist in the 1985 World Cup Boxing Competition, which was held here. He won the medal in the light middleweight class.

The Seoul Cup International Boxing Tournament is expected to draw about 200 boxers from 15 countries.

Meanwhile, Korea aims clinching three gold medals in that tournament.

Sports Minister Meets With Hungarian Official
SK270828 Seoul *YONHAP* in English
0813 GMT 27 Jan 88

[Text] Seoul, Jan. 27 (YONHAP)—Antal Pongracz, vice president of the Hungarian Olympic Committee, on Wednesday called on South Korean Sports Minister Cho Sang-ho in Seoul to discuss ways to promote exchanges of sports information and personnel between the two countries.

Pongracz, who arrived here on Monday for talks with Korean sports officials concerning the 24th Olympiad, told Cho that his country will dispatch 200 to 350 athletes to Seoul this autumn.

He reportedly said that Hungary expects the host country to provide as much cooperation as possible for the Olympic competition of the Hungarian contingent.

Loan Considered for Two East Bloc Countries
SK270325 Seoul YONHAP in English
0144 GMT 27 Jan 88

[Text] Seoul, Jan. 27 (YONHAP)—In an effort to promote economic cooperation with communist-bloc nations, the South Korean Government is cautiously weighing the possibility of extending an economic loan to two East European countries seeking to exchange trade offices with Seoul, government authorities here said Wednesday.

The authorities, however, did not specify the names of the communist bloc countries with which Seoul has no diplomatic relations for the proposed loans of about 50 million dollars per project.

It was learned Tuesday that Hungary will open a trade office in Seoul in March to become the first East bloc country to seek to improve trade relations with South Korea.

The Korean Government plans to foster a total of 90 billion won (about 114 million U.S. dollars one dollar is worth about 785 won) this year for use in foreign loans and economic aids to developing countries.

As part of an effort to expand economic cooperation with the communist countries including China and East bloc nations, the Korean Government also plans to actively participate in regional economic development programs of the World Bank, and International Monetary Fund.

The semi-official Korea Trade Promotion Corp. opened an office in the Hungarian capital of Budapest last December, according to business sources.

Negotiation is also under way between Seoul and Yugoslavia and Poland for the establishment of their trade offices here, the sources said.

Hungarian Official Expects Trade To Increase
SK270857 Seoul YONHAP in English
0844 GMT 27 Jan 88

[Text] Seoul, Jan. 27 (YONHAP)—Hungary will promote direct trade with South Korea after it opens a trade office in Seoul, a senior member of the Hungarian Chamber of Commerce said here Wednesday.

Sandor Csanyi, who flew into Seoul Monday to prepare for opening the Hungarian trade office here in March, told reporters that his mission will provide a momentum for expansion of bilateral trade between South Korea and Hungary.

The Hungarian trade office will be the first of its kind to be set up by a communist-bloc country. South Korea opened its trade office in Budapest in last December.

Emerging from his talks with President Pak Yong-su of the state-run Korea Trade Promotion Corporation, Csanyi said he found no particular obstacles in the efforts to expand the economic cooperation between the two countries.

He added that the prospects for binational trade expansion is bright in light of the reciprocal aspects of the two countries' industrial structures.

The former commercial attache at the Hungarian Embassy in Japan pointed out that South Korea has comparative advantage in textile, electronic, and fabricated metal industries while Hungary maintains competitive power in its food, medicine, and machinery industries.

Csanyi predicted that the future trade between the two countries will focus on those items.

Disclosing that the Hungarian enterprises have great interests in the South Korean economy, Csanyi said the reputation of the Korean commodities in Hungary is good in general.

Csanyi, who visited Seoul for the first time three years ago as an executive of a major Hungarian heavy industrial company, said South Korea seemed like a more liberal country than he had thought.

After a secret visit to Budapest by Pak in late 1987, chambers of commerce of the two countries signed a bilateral cooperation agreement calling for exchanges of trade missions, joint hosting of trade fairs and exchanges of trade information.

Foreign Minister Choe Kwang-su said Tuesday that East Germany, Yugoslavia, and Poland will follow suit of Hungary in the near future.

South Korea, a staunch anti-communist country, has had no diplomatic relations with communist nations, but has been in search of direct trade with the communist-bloc nations to diversify the overseas markets of its bulging economics.

Trade Office To Be Opened
SK261226 Seoul YONHAP in English
1218 GMT 26 Jan 88

[Text] Seoul, Jan. 26 (YONHAP)—Hungary will open a residential trade office in Seoul in March to become the first communist country to establish a trade office in South Korea, Foreign Minister Choe Kwang-su said Tuesday.

In a report to President-elect No Tae-u, Choe said that an official of the Hungarian Chamber of Commerce arrived here Monday to prepare for the establishment of the planned trade office.

Choe also said that a trade delegation from the East European country will visit South Korea in May to promote trade relations between Seoul and Budapest. South Korea has no diplomatic relations with any communist countries.

Prior to the opening of the Hungarian trade office in Seoul, the Korea Trade Promotion Corp. (Kotra) set up a trade office in Budapest on Dec. 15 last year.

Korean officials expect the opening of trade offices in Budapest and Seoul will help Korea establish trade offices in other East bloc countries, including Yugoslavia, Poland and East Germany, and increase substantially Korea's trade with those communist countries.

South Korea is currently trading with some communist countries through third countries.

Efficacy of Anti-Inflation Measures Doubted
SK240219 Seoul *THE KOREA HERALD* in English
24 Jan 88 p 6

[Article by staff reporter Chong Pong-uk: "Alarm Over Rising Prices Prompts Officials to Act"]

[Text] Alarm over rocketing costs of goods and services in recent months has pushed the government to take action to prevent further price rises and head off an inflationary spiral.

Vice ministerial-level officials met Wednesday with Vice Minister of Economic Planning Mun Hui-kap and drew up policy measures for price stability that include a 10 percent cut in oil prices, tougher actions against land speculation, increased release of state-held farm products and a minimum increase in school tuition.

Not a few scholars and market watchers, however, doubt that the government measures will pay off citing a number of factors hindering price stability.

The primary obstacles will be a spillover effect from last year's double-digit wage increase and new demands for pay raises this year.

The wage increases affect public utility and other service charges. Some service charges, including those in barbershops and laundries, rose by as much as 20 percent during December.

Prices of farm products, which rose dramatically last autumn, are not likely to fall since there are shortages. Scheduled increases in medical charges, school tuition

fees and city bus fares will also stimulate consumer prices, by as much as 1 percent, according to the Economic Planning Board [EPB].

EPB officials worry the traditional price increase preceding Lunar New Year Day, Feb. 18, will aggravate the situation.

The double-digit increase in land and housing prices during the past one or two months will also push up service charges.

The current account surplus is a source of trouble as far as price stability is concerned because it causes excess liquidity, as experienced last year.

The surplus, which neared \$10 billion last year, is unlikely to fall below \$6 billion this year, according to the government.

The adverse situation has forced the government to employ all possible measures to curb inflation.

"For the success of price policy this year," an EPB official said, "we should curb price increases to the maximum in the first quarter."

It was not until 1982 that the nation attained a single-digit price increase rate. Inflation of wholesale prices during 1976-79 averaged 13.7 percent for wholesale prices and for consumer prices 14.5 percent. As late as 1981, wholesale prices rose 11.3 percent and consumer prices 13.7 percent.

The price stability since 1982 was not obtained without cost, but it was harvested through painful efforts by both the government and citizens based on a perception that price stability is essential to sustained economic growth in the years to come.

"More troublesome than the unfavorable factors is the public psychology anticipating high inflation rates this year," said a senior EPB official. "This is the reason why we should stop an inflationary trend in the first three months."

'Grand Amnesty' Expected Late-February
SK270306 Seoul *YONHAP* in English
0255 Gmt 27 Jan 88

[Text] Seoul, Jan. 27 (YONHAP)—South Korea will pardon more than 2,000 political dissidents, including some 110 in jail, in a grand amnesty to celebrate the inauguration of its new government to be headed by President-elect No Tae-u.

In the sweeping amnesty, more than 3,000 criminal prisoners will also be freed, the Justice Ministry said Wednesday.

The ministry said it has so far singled out 110 from some 200 dissidents in jail and selected about 3,000 from more than 10,000 common criminal prisoners for the leniency.

The ministry said it will restore the civil rights for some 600 dissidents who were released in a special amnesty in July last year but failed to get their civil rights back and others freed on stay so far since last year's amnesty. [sentence as received]

It will also add to the amnesty list the dissidents who will be freed from jail until the inauguration day.

Besides the 110 convicted dissidents to be released in the amnesty, the prosecution will withhold its indictments for half of the 50 dissidents now under investigation and the court will mete out suspended sentence for 500 out of the 760 dissidents on trial to bring to more than 630 the total number of dissidents to be freed from jail by the presidential inauguration, according to the ministry.

No, winner of Korea's first direct presidential election in 16 years last December, had promised a grand amnesty for political reconciliation during his campaign trail. He is to take office on Feb. 25.

The projected amnesty will become official on one of the three days—Feb. 24, 25, or 26.

DJP Favoring Small Constituency System
SK220231 Seoul *THE KOREA TIMES* in English
23 Jan 88 p 1

[Text] A small constituency system is likely to be revived in the coming general elections after 16 years as the ruling party shows an inclination to the formula long favored by opposition parties.

Democratic Justice Party sources said yesterday that its leaders have decided to "broadly" accept opposition demands in talks on the revision of the Parliamentary Election Law.

Ruling camp strategists believe that the small district system electing one lawmaker from each constituency has the strong possibility of giving the DJP an absolute majority in the face of an opposition split.

Thursday, DJP chairman Chae Mun-sik strongly hinted that the party may abandon its unique formula of electing one to four Assemblymen from each district, saying, "We will change some positions on secondary matters in case the opposition accepts our February elections plan."

The DJP has thus far preferred to hold the elections next month while major opposition parties want April elections.

DJP floor leader Yi Tae-sun told reporters that the current extraordinary House session would be extended for about a week, providing the rival parties could not pass the amendment bill during the original 12-day sitting ending Friday.

Informed party sources have said that the alternative to the controversial DJP overture is the "pure" small constituency system.

The blended formula invented by the government party is that one is elected from each of 161 smaller districts, mostly in rural areas, and two to four from 150 other populous districts.

The opposition branded it a scheme to sweep all the rural areas and share at least one seat in urban areas. A general trend shows that the ruling party is more popular in farming and fishing communities.

At a time when the opposition division is in such a bad shape, the small constituency system is regarded as the "second-best" strategy to gain more than half the Assembly seats.

The turn-around is largely based on a forecast that there is a slim chance for Kim Yong-sam and Kim Tae-chung to unite or nominate only one candidate for each district.

One more reason is that nothing but the small electoral district system will reduce the backwash when the ruling party is driven to railroad a revision bill by means of its majority power, possibly to be joined by one or two opposition parties.

The small district system was abolished in the authoritarian "Yusin" reform by the late president Pak Chong-hui in 1972.

A DJP spokesman suggested that the party would pass the revision bill by force within the current House session for the February elections if opposition negotiators refuse compromise.

Only Kim Tae-chung's Party for Peace and Democracy supports the small constituency system, boosted by the fact that the opposition leader ranked first in 70 out 245 ballot-counting stations in the December presidential poll.

The number was twice the district that registered in first place Kim Yong-sam, the first runner-up to president-elect No Tae-u.

The other option allowed for the DJP is the collaboration with Kim Yong-sam's Reunification Democratic Party for the adoption of the medium-sized constituency system.

A senior negotiator said that, if the choice is left at the discretion of incumbent lawmakers, the medium-sized system would be passed by the legislature as it imposes less risk than the small constituency system under which the second is meaningless.

However, a growing number of DJP strategists appear reluctant to seek the RDP support because the system may help beef up the 51-Assemblymen party, in the coming elections.

Rep. Ko Kon, who drafted the original DJP formula, said that if the medium constituencies are taken, there should be an institutional mechanism guaranteeing political stability such as lopsided allocation of seats from the national constituency for the first party.

"If the opposition parties agree to a favorable allotment for us," he said, "We will positively consider the medium-sized constituency system."

As to the timing of the elections, some of No's staff still insist on holding them after his inauguration in order that the next president have full authority in nomination without offering a share to the present President.

They reasoned that it was "impractical" to hold the elections next month unless the rival parties pass the amendment bill with next week.

RDP Boycott Halts Assembly Deliberations
SK230153 Seoul *THE KOREA HERALD* in English
23 Jan 88 p 2

[Text] The National Assembly extraordinary session was brought to a stop yesterday following the Reunification Democratic Party's boycott of standing committee sessions.

The RDP has decided to refuse the Assembly sessions and negotiations with the ruling Democratic Justice Party on a revision to the parliamentary election law for two days till today.

Facing the RDP action, the DJP urged the opposition party to participate in the sessions of the four standing committees scheduled to be held yesterday. It held the Education-Information Committee for about 10 minutes but refrained from convening the other three committees in the absence of the largest opposition party.

The RDP boycott resulted from the DJP's unwillingness to invoke the parliamentary right to probe state affairs for thorough investigations into the cover-up of a torture-death of a university student a year ago.

The opposition party, however, also decided to withdraw its boycott on Monday so that the standing committees could be convened for three days till Wednesday. The ongoing extraordinary session ends on Jan. 29 after another two days of plenary session.

As the DJP plans not to provoke the RDP, the operation of the standing committees will be normalized next week. But the ruling party intends to continue negotiations on the revision of parliamentary election law with other opposition parties regardless of the RDP boycott.

As for the opposition demand for an Assembly probe into the cover-up case, the DJP position is to let the case be investigated first at the Assembly standing committees. If it proves insufficient, then further investigation can be made by a special subcommittee of the Assembly Home Affairs Committee. If doubts still remain even after that, then the invocation of the parliamentary right can be discussed among rival parties.

The two minor opposition parties—the Party for Peace and Democracy and the New Democratic Republican Party—also called for formation of a special investigation committee for the cover-up case, but their position was to participate in standing committee sessions although their demand was not met.

The two parties, however, did not pressure the ruling DJP to convene the committees without RDP presence.

Meanwhile, DJP floor leader Yi Tae-sun made it clear that negotiations on a revision to the parliamentary election law will be proceeded regardless of standing committee sessions.

Yi said, "The negotiations should go on without further delay. If we judge it impossible to revise the parliamentary election law during this session through a unanimous agreement, then we will have to resort to voting for an early settlement."

The DJP held negotiations with the NDRP yesterday afternoon and also convened the election law subcommittee of the Assembly Home Affairs Committee in the absence of RDP members.

PPD Finalizes Election Revision Bill
SK230149 Seoul *THE KOREA TIMES* in English
23 Jan 88 p 2

[Text] The Party for Peace and Democracy [PPD] yesterday finalized its revision bill on the Parliamentary Election Law featuring the small constituency system under which one lawmaker is to be elected in each constituency.

The bill calls for redrawing the electoral zones generally on the basis of the original administrative division with each district having an average of 150,000 residents.

The smallest constituency will have a population of 70,000 while the largest will have 230,000.

The nation will be divided into 302 constituencies, thus electing 302 parliamentarians from local districts.

The total number of Assemblymen will reach 363, as 61 lawmakers are to be elected under the proportional representation system.

The 61 seats will be distributed to parties which produce at least five parliamentarians or clinch more than 20 percent of all eligible votes.

Employers To Be Punished for Antiunion Acts
SK240212 Seoul *THE KOREA HERALD* in English
24 Jan 88 p 3

[Text] The Labor Ministry has decided to crack down on employers closing their plants in a bid to suppress labor union activities, a ministry official said yesterday.

Such employers will initially be given warnings to put their plants back in normal operation, he said.

The ministry, however, will take steps to punish employers who defy the warnings in line with newly revised labor laws, the official said.

The decision has been prompted by reports that several firms have been shut down in order to hinder the establishment of trade unions or avoid collective bargaining, he said.

When employers report the shutdown of their plants, the ministry will exert maximum efforts to determine the exact reasons behind their shutdown, the official said.

The ministry will also regulate employers' attempts to transfer union activists to subsidiary firms as a means of suppressing union activities, he said.

Meanwhile, a company in Cheju Island reportedly dismissed the president of its labor union shortly after he attended a labor union training class in Seoul without its permission.

Song Yong-si, 28, president of the trade union at an LPG container-manufacturing firm, has lodged a complaint with the Cheju Regional Labor Committee, a vernacular newspaper said. LPG stands for liquefied petroleum gas.

Song was quoted as saying that he was fired on Dec. 26 last year for having attended a training session for labor union presidents instead of reporting to work.

Burma

Annual Offensive Against Karen Rebels Begins

BK240028 Bangkok *THE NATION* in English
24 Jan 88 p 3

[Text] The Burmese government has started its annual dry-season offensive against Karen ethnic rebels along the Thai-Burmese border opposite the northern provinces of Tak and Mae Hong Song, a senior army officer said.

Third Army Region's Chief of Staff Yingyot Chotiphimai said Burmese government troops and Karen rebels have engaged in heavy battles, especially at Pha Lu Camp opposite Mae Sot District of Tak, since late December.

Mauritius Trade Mission Departs 21 January

BK211534 Rangoon *Domestic Service* in English
1445 GMT 21 Jan 88

[Text] A trade delegation from Mauritius led by the minister of trade and shipping, Mr D. Gungah, has left Rangoon after holding talks on bilateral trade matters. They were seen off at Rangoon Airport this morning by the minister for trade, U Khin Maung Yi; the deputy ministers, U Ye Naung Soe and Colonel Tin Gyi; as well as responsible personnel of the Ministry of Trade.

Cambodia

KPNLF Comments on Possible Two-Party Government

BK270031 Bangkok *THE NATION* in English 27 Jan 88 p 5

[Text] The Kampuchean resistance group led by Premier Son Sann warned yesterday that Prince Norodom Sihanouk would be falling into Vietnam's trap if he agreed to form a two-party government with the Vietnamese-installed authorities in Kampuchea.

The Khmer People's National Liberation Front was commenting on a possibility raised in Sihanouk's talks in France last week with Premier Hun Sen of the pro-Vietnamese government.

A two-party government would leave out Sihanouk's allies—the KPNLF and the Khmer Rouge. The two groups have not joined Sihanouk in two rounds of talks with Hun Sen.

They are joined in a Sihanouk-led coalition, called the Coalition Government of Democratic Kampuchean, which is fighting Vietnamese troops that invaded Kampuchea nine years ago.

In a telex to news organizations, the KPNLF's Bangkok office said: "The KPNLF... views that the formation of a two-party government envisaged at the second round of talks in France, if realized without negotiations with the CGDK and all parties concerned, as falling within the Vietnamese ploy."

It said that by encouraging peace talks without participating in them, Vietnam was trying to divide the coalition and its supporters, and misleading the world to think that the conflict in Kampuchea was merely a civil war.

It said that in the two rounds of talks, "Vietnam and Mr Hun Sen have made no concrete move to end the war in Cambodia."

The KPNLF reiterated its willingness to join the talks with Hun Sen if Vietnam also participated or pledged in writing to United Nations Secretary General Javier Perez de Cuellar that it would withdraw its troops from Kampuchea immediately after the talks.

The telex denied what it said was a statement made by Hun Sen that Son Sann had sought a secret meeting with him.

"President Son Sann has never sought any meeting, secret or otherwise, with Mr Hun Sen," it said.

Sihanouk and Hun Sen are to meet again in North Korea's capital of Pyongyang in April.

In a recent commentary, Vietnam's official Communist Party newspaper NHAN DAN (THE PEOPLE) hailed the second round of talks and said continued dialogue was the only way to settle the conflict.

But it reiterated that to attain the independent and democratic future government envisaged by Sihanouk and Hun Sen, the Khmer Rouge armed forces must be eliminated.

Details of Sihanouk-Vietnamese, Lao Letters

BK270047 Bangkok *BANGKOK POST* in English
27 Jan 88 p 3

[By Jaques Bekaert]

[Excerpts] Former Vietnamese Prime Minister Pham Van Dong and Prince Souphanouvong and Phoumi Vongvichit of Laos have sent letters to Prince Norodom Sihanouk, delivered last week by Kampuchean Premier Hun Sen during his second meeting with the former monarch in Saint Germain-en-Laye near Paris.

The letters, described as "cordial and respectful" by an informed source, were seen as another demonstration of the socialist countries' changing attitude toward Sihanouk. [passage omitted]

Both Pham Van Dong and Prince Souphanouvong were close friends and allies of Sihanouk during the sixties, at the time of the war in Vietnam.

In April 1970, a few weeks after Sihanouk's overthrow by Lon Nol, the three men, along with the president of the Provisional Revolutionary Government of South Vietnam, Nguyen Huu Tho, took part in the "Canton Conference", where the participants, representing the "revolutionary" countries and organisations of Indochina, swore, in the words of Sihanouk, "to always remain united in war and peace".

The letter from Pham Van Dong to the man he used to call "his brother and very dear friend" represents the first real direct contact between the prince and a senior Vietnamese official since the beginning of the nine-year-old Kampuchean conflict.

The friendship between the former "comrades in arms" deteriorated as relations between Vietnam and Democratic Kampuchea, ruled from April 1975 until the end of 1978 by the Khmer Rouge, took a turn for the worse.

In October 1979, Sihanouk, acting as president of a newly-formed "Confederation of Khmer Nationalists", wrote three letters to Pham Van Dong. In the first message, dated October 7, the prince reminded the then-prime minister that "some years ago you were kind enough to call me your friend and comrade-in-arms.

"I believe that I deserved these titles," said Sihanouk, "for the unfailing support which, in the name of the solidarity of the Indochinese peoples, I gave to the Vietnamese people in its struggle against American Imperialism."

In the same letter, Sihanouk asked Pham Van Dong to consider a peaceful resolution of the new conflict, a withdrawal of Hanoi's troops, and proposed talks in order to "restore independence and neutrality in Cambodia" and to "rebuild cordial and trustful relations between our two countries. The talks, wrote Sihanouk, could take place in Hanoi, Pyongyang or Prague.

Two more letters were sent by Sihanouk to Pham Van Dong on the 23d and the 27th of October in 1979. He received no answer. The last letter was even sent back, unopened.

A year later, Pham Van Dong told French television that Sihanouk was "a finished man". When the coalition government of Democratic Kampuchean was formed, in June 1982, Hanoi described it as "a farce aiming at concealing the evil nature of the Pol Pot clique", but soon sent discreet "feelers" in the direction of Sihanouk, who was now back on the international stage as the UN-recognised president of Democratic Kampuchea.

"We have never insulted the prince," a senior Vietnamese diplomat said recently. In December 1983, in Hanoi, other Vietnamese officials insisted that "Sihanouk still had many friends here".

Since Sihanouk took a leave of absence from the presidency of Democratic Kampuchea in May 1987, Vietnam and other socialist countries have considerably changed their public attitude toward the man they no longer called "Monsieur" Sihanouk but, more respectfully, "Samdech".

Last year in Phnom Penh, a decision of the Politburo of the pro-Vietnamese People's Revolutionary Party of Kampuchea decided it was time to shift the struggle from the battlefield to the diplomatic field and that a "rapprochement" with Sihanouk was necessary.

"The diplomatic struggle depends on our solidarity with Vietnam, Laos, the USSR and the Eastern countries," explained Hun Sen to the Council of Ministers in June. "We will try to provoke disunity among the enemies but we will not immediately accept a political settlement because our cadres are not ready yet to fight the enemy."

Last October Phnom Penh made public a five-point plan based on "national reconciliation" and welcoming Sihanouk's new position.

In the past few months, the prince himself has published in his own "Bulletin de Documentation" several friendly letters from Pham Van Dong, General Vo Nguyen Giap and Prince Souphanouvong dating from the early seventies.

In the past July-August issue, Sihanouk wrote a long editorial against the "blind Vietnamophobia that caused the loss of Cambodia". But while in favour of talks between the various sides involved in the Kampuchean drama, and openly critical of past "Vietnamophobia" of the Khmer Rouge, Sihanouk has always insisted on a complete withdrawal of Vietnamese forces from Kampuchea and on the establishment of a new non-communist regime.

Sihanouk Reiterates Unity With DK Leaders BK270045 (Clandestine) Voice of Democratic Kampuchea in Cambodian 2330 GMT 26 Jan 88

[Text] On 20 January 1988, Samdech Norodom Sihanouk, sent a message to His Excellency Khieu Samphan, vice president of Democratic Kampuchea in charge of foreign affairs; and His Excellency Son Sann, defense minister of Democratic Kampuchea. The message reads in full as follows:

To His Excellency Khieu Samphan, vice president of Democratic Kampuchea in charge of foreign affairs; and His Excellency Son Sann, defense minister of Democratic Kampuchea, through His Excellency Ambassador Ok Sakun:

My wife and I would like to express warm thanks to your excellencies and the leaders, cadres, and combatants of the Democratic Kampuchean side as well as the valiant cadres and combatants of the National Army of Democratic Kampuchea [NADK] for your letter dated 14 January 1988.

The ANS [Sihanoukist National Army] will continue its close fraternal cooperation with the NADK inside our beloved Cambodia in our common struggle for national liberation.

The ANS will unite with the NADK in the fight against the aggressor Vietnamese colonialists until the Vietnamese troops are withdrawn to the last man from Cambodia.

With highest regards and profound affection.

[Signed] Norodom Sihanouk, president of Democratic Kampuchea

Briefs

Returnees in Pursat Province

In 1987, Pursat Province received 36 misled persons, who returned with 30 assorted weapons and other quantities of war materiel. Among the returnees were 34 Pol Pot soldiers and 2 Sereika soldiers. Bakan District received most of the returnees. [Summary] /Phnom Penh Domestic Service in Cambodian 0430 GMT 20 Jan 88 BK/

Indonesia

Singapore Foreign Minister Continues Visit

Meets With Suharto

BK260947 Jakarta ANTARA in English 0917 GMT
26 Jan 88

[Text] Jakarta, Jan 26 (ANTARA/OANA)—President Suharto has agreed with a Singaporean proposal that the existing contacts between the two neighbouring nations should be extended to various levels and should not only be limited to the ministerial level, therefore friendly relations and mutual understanding between the two countries would be more stable.

The Singaporean proposal was explained to the press by visiting Singaporean Foreign Minister Suppiah Dhanabalan after he paid a courtesy call on President Suharto at Bina Graha presidential office here Tuesday.

He arrived here on Monday for a five-day official visit to Indonesia in the framework of strengthening bilateral relations between the two nations.

He admitted that there had been a mutual understanding and close contacts between leaders of the two nations. "But we want to extend these contacts to a wider scope reaching various levels, such as young politicians and members of parliament," He added.

In this connection, he went on, in his current visit to Indonesia he is accompanied by some members of parliament and officials in order to give them a new horizon.

Answering a question on economic relations between the two countries, Dhanabalan said that his government has always been encouraging its businessmen to make investment in Indonesia.

Singapore investment in Indonesia has now reach a total of US\$380 million.

He also told the newsmen that he had discussed regional situation, particularly the Kampuchean issue, during his meeting with his Indonesian counterpart Dr. Mokhtar Kusumaatmaja.

The two ministers agreed with Prince Sihanouk's view that the Kampuchean issue could not be settled without a total withdrawal of Vietnamese occupation forces from Kampuchea and cooperation among warring parties in the Kampuchean issue.

"We (Dr. Mokhtar and Dhanabalan) have also discussed the disarmament issue. We agree that ASEAN has to make preparations in facing any possibilities as a result of a recent agreement between the two super powers," he said.

Meanwhile, during his meetings with Coordinating Minister for the Economy, Finance and Industry Prof. Ali Wardhana and State Minister for National Development Plan/Chairman of Bappenas [National Development Planning Board] Prof. Sumarlin, he was briefed on the current economic situation and on the structural change of the Indonesian economy.

On Wednesday he will leave here for Medan before returning home next Friday.

Comments on NPA, Cambodia

BK270451 Jakarta ANTARA in English 0421 GMT
27 Jan 88

[Text] Jakarta, Jan 26 (ANTARA/OANA)—Singapore Foreign Minister Suppiah Dhanabalan said here Tuesday almost all the member countries of the Association of Southeast Asian Nations (ASEAN), apparently because of their past experience, no longer trusted communist movements.

Delivering a lecture at the Department of Foreign Affairs, Dhanabalan was answering a question from the audience on what he thought of a recent statement by Philippine Foreign Secretary Raul Manglapus that the Philippines should legalize the outlawed Communist Party.

Manglapus said on January 14, 1988, that the Philippines will achieve stability and democracy only if the Communist Party has been legalized.

Dhanabalan maintained that the communists would practice democratic principles only as long as they were not in power, and once power is in their hands they would abandon all the principles.

On top of that they would also destroy all their opponents, said Dhanabalan who was on a five-day visit to Indonesia since Monday.

He said he had never talked to Manglapus in the context of what he really meant by his wish for a legalisation of the communists.

The communist New People's Army (NPA) had been waging a rebellion for the past 19 years in the Philippines.

With regard to the Kampuchean conflict, Dhanabalan said ASEAN should accept what Prince Sihanouk had been doing in his direct negotiations with the prime minister of the Phnom Penh regime, Hun Sen.

He said Sihanouk knew exactly what he was doing. The two leaders met in France for their second round of talks last week in their attempt at seeking a peaceful solution of the Kampuchean problem.

Views on Economic Cooperation

BK261415 Jakarta Domestic Service in Indonesian
0700 GMT 26 Jan 88

[Station commentary]

[Text] Singapore Foreign Minister Suppiah Dhanabalan and his 25-member entourage arrived in Jakarta yesterday for a 5-day visit to Indonesia. As for the purpose of the visit, Foreign Minister Mokhtar Kusumaatmaja said at his weekly news conference last week that Singapore wanted to obtain more details on the Indonesian Government's economic deregulation and debureaucratization policies. For this reason, Dhanabalan was accompanied by a number of Singapore businessmen and government officials in charge of economic affairs, who want to explore capital investments in Indonesia, especially in Batam Island.

In the ASEAN context, regional cooperation within the grouping has indeed been carried out in accordance with jointly agreed programs, where economic cooperation

has always been given high priority. Bilateral cooperation between Indonesia and Singapore has also been implemented for a long time.

However, with the launching of development projects in Batam Island, located only about 20 miles from the island republic, Indonesia's position has become more important in Singapore's eyes. Among ASEAN countries, Singapore has indeed shown its economic achievement through industrialization, while Indonesia and other ASEAN countries, with the exception of Brunei Darussalam, are still developing their industrial sector.

Indonesia's decision to develop Batam Island is based on careful consideration because the Strait of Melacca region and nearby Singapore have become the world's economic lifeline. It is hard to relocate such an economic lifeline to other parts of the world and compete with Singapore's established position. But Indonesia's decision to develop Batam Island as a trade and industrial center will also help intensify economic activities in the Strait of Melacca. In this case, Singapore will not face competition from Indonesia because the pattern of development on Batam Island stresses the importance of giving ample opportunities to multinational corporations to invest in that island. Many countries, including Singapore, have shown their interest in capital investment in the island. The facilities and proximity of Batam Island are indeed attractive to Singapore. Also, limited territory also makes it difficult for Singapore to expand its economic activities.

However, what is more attractive to Singapore is the Indonesian Government's economic deregulation and debureaucratization policies, which are becoming increasingly known by the international community. At the same time, Indonesia can also learn from Singapore's experiences as an industrialized country that has an almost identical ethnic and cultural background. In short, both Indonesia and Singapore share common interests as far as economic stability and progress are concerned. Singapore leader Lee Kuan Yew once said that his country is now doing its best to prevent cynicism and individualism from spoiling the country's progress as experienced by Western industrialized countries. We also want to avoid such tendencies right from the start.

Suharto Comments on Foreign Loan Policy

BK250409 Jakarta ANTARA in English 0317 GMT
25 Jan

[Text] Jakarta, January 25 (ANTARA/OANA)—President Suharto has strongly denied that Indonesia has been borrowing money from abroad only to pay its foreign debts.

"The foreign loans we get have been fully used to finance development projects beneficial for the people," the president told 27 provincial governors who gathered to see him at Bina Graha Saturday, according to a press release the Home Ministry issued Sunday.

The governors had just ended their national working meeting in Jakarta and their presence at Bina Graha Saturday was used by the president to explain about the payment of Indonesia's foreign debts. The president contended that the implementation of the development projects financed with the foreign loans had directly created job opportunities for the workforce and after completion the projects give many other benefits which sooner and later are enjoyed by the people. "It is these various benefits which we had used to build still other projects needed by the people. From these benefits, we had also set aside some funds for the repayment of our foreign debts," the president pointed out. In this connection the president added that in the drafting of the 1988-89 state budget, the government had courageously adopted the attitude that Indonesia will stand by its commitment to repay its debts in time and this was because Indonesia does have the capability to do so. In addition Indonesia wanted to preserve the trust of the world community on the dependability of Indonesia in paying its debts because this trust has its own significance, the president said. "With the trust Indonesia's donor countries will be prepared to give greater aid, both program aid and project aid, which will support our endeavour to carry on national development so that it will not be too heavy for us to cope with the world's difficult economic situation." President Suharto pointed out Indonesia will not accept the foreign aid just like that but only if the aid fulfills certain requirements that will make the aid truly beneficial to Indonesia. All the loans we have accepted we have first considered with very careful calculations, always basing our calculations on the needs of the operational policy set down in the Broad Outline of State Policy (GBHN), the president said. President Suharto went on to say that the life of a nation cannot be quarantined from the condition of the life of the world. Thus the situation and condition of the world also affect the situation and condition of all nations including Indonesia. "However, compared with other nations, particularly the developing countries, our nation still has a greater hope to come out well from the present difficulty especially because we have developed a resilience through the the successful development which we have implemented so far. With the result of that successful development we will still be able to stand on our feet however difficult the situation and condition may be." According to the Home Ministry release issued Sunday, President Suharto stressed before the governors there is no reason for the Indonesian nation to get pessimistic for there are clear and obvious reasons for the nation to be, on the other hand, optimistic. The president said: "We have promising assets which we should be able to take advantage of with good use."

Laos

Thai Troops Reported Shelling Boten District
*BK270053 Vientiane Domestic Service in Lao
0000 GMT 27 Jan 88*

[Text] According to local a news report from Boten District, from 1330 on 26 January Thai ultrarightist

reactionary troops fired some 37 artillery shells at various positions of our Lao regional armed forces in areas west of Na Bonoi canton in Boten District, Sayaboury Province.

A further report said that on the same day, the Thai ultrarightist reactionaries also dispatched a large number of additional troops to reinforce their forces stationed in Lao territory in preparation for new attacks to annex Lao soil.

Rallies Denounce Thai Attacks in Boten

*BK270710 Vientiane Domestic Service in Lao
0000 GMT 24 Jan 88*

[Text] In the past week, more than 3,000 people in Bokeo provincial municipality and in Samtai District of Houa Phan Province have held rallies to denounce the nibbling attacks against Lao territory by Thai reactionary forces in the area west of Boten District, Sayaboury Province. At each rally, representatives of the people of all strata attending the demonstrations took turns to deliver speeches expressing indignation at the barbarous acts of the Thai ultrarightist reactionary forces in openly aggressing against and annexing the Lao territory. They demanded that the Thai reactionary armed forces cease all hostile acts against Laos, unconditionally and immediately withdraw Thai troops from the area they have occupied and begin negotiations with Laos to settle the problem with the aim of allowing the Lao and Thai peoples to peacefully coexist with each other in a brotherly manner in accordance with the spirit of the 1979 joint communique signed between the governments of the two countries.

At the rallies, several elderly Lao citizens reaffirmed that the territory nibbled at and occupied by the Thai troops has belonged to Laos since ancient times. The participants showed their support for and pledged to stand side by side with the regional forces and people in Boten District in the struggle to securely defend our territorial integrity, never ceding a single square inch of our land to the enemies.

Commentaries on Border Dispute With Thailand

Article Urges Vigilance

*BK261510 Vientiane Domestic Service in Lao
0000 GMT 24 Jan 88*

[Article: "Constantly Heighten Vigilance to Resist the Subversive Schemes of the Enemies"]

[Text] Our party and state have consistently pointed out that the world and regional situations are continuing to become more complex and that the imperialists and reactionary forces have not yet abandoned their dark adventurous policy of opposing our revolution and those of the fraternal Vietnamese and Cambodian peoples.

Therefore, it is necessary that we pay serious and constant attention to heightening vigilance against the subversive schemes of the enemies.

Over the past 10 years, fully appreciating and understanding the significance of this task, our people at all levels, be they attached to any services or grass-roots localities or at the central or local levels, have taken up the national defense and public security maintenance work as a primary duty to be fulfilled. As a result, in the past more than 10 years, the situation in all spheres of work in our country have gradually returned to normal, thus creating favorable conditions for our people to fulfill the socioeconomic development tasks outlined by the party.

While it appears that this task has been effectively carried out in many localities, we can still see that in several areas difficulties exist in this domain because the enemies are able to create disturbances easily. One of the main reasons for the occurrence of these phenomena is because people in those localities sometimes have failed to maintain vigilance and to organize and consolidate public security forces among the masses. Especially, once public tranquillity has been restored, a sense of strict observance of discipline seems to be relaxed, thus creating conditions and loopholes for the enemies to carry out subversion.

We must know that the struggle between our side and the enemies has been constantly waged in all domains—political, military, economic, social, cultural, and foreign affairs. The schemes implemented by the enemies are becoming more and more notorious and cunning. They have tried to undermine our new regime from small things up to serious matters regardless of time and place. Reality in recent years has taught us that in any locality where a sense of vigilance is lacking and where national defense work has not yet been properly carried out, adverse effects always occur and difficulties prevail. On the contrary, in any localities where a high sense of vigilance is maintained and attention has been consistently paid to carrying out public security work, serious incidents hardly occur; or should the enemies try to carry out subversive activities against our regime, their schemes will be thwarted promptly.

In face of the current reality, all cadres, combatants, state employees, and workers at all organizations, offices, factories, localities, and provinces as well as the people of all tribes must urgently try to do away with all negative phenomena and to plug all loopholes which always allow the enemies to infiltrate and undermine our ranks very easily. We cannot afford to lose our sense of vigilance nor to treat lightly national defense and public security maintenance work. Our entire party, masses, armed forces and public security forces must correctly understand that the safeguarding of our national independence, sovereignty, and territorial integrity; of the line,

policies, and plans of the party and state; of the revolutionary forces; and of the working places for our people is one of the two strategic tasks of our party, that is to defend and build the country.

Call To Accept Proposal

*BK270341 Vientiane Domestic Service in Lao
0000 GMT 27 Jan 88*

[27 January PASASON editorial: "It Is Time For the Thai Side To Accept Laos' Call and Reasonable Proposal"]

[Text] To end the useless loss of blood and lives resulting from the nibbling attacks against Lao territory that have occurred for more than a month, the LPDR Government, in its statement dated 25 January, demands that the Thai side end all of its military attacks aimed at annexing Lao territory, withdraw all of its troops from Lao soil, and respect the LPDR's sovereignty and territorial integrity by implementing the basic principles stipulated in the two Lao-Thai joint statements of 1979. In the statement, the LPDR Government also majestically announces that the Lao side is ready to send its delegation to Bangkok in early February 1988 to hold talks with the Thai side, and if the Thai side is unable to welcome the Lao delegation for any reason, the LPDR is willing to invite a Thai delegation to come to Vientiane during the said period.

This is a sincere and urgent call full of a lofty spirit of responsibility for the destiny of the fraternal relations between the two peoples of Laos and Thailand. It is also considered a reasonable and creative proposal, which completely conforms to reality. This reflects the Lao side's good intentions, which can be seen through words and actual deeds—words and deeds that have always matched. This is contrary to the Thai side, which says one thing while doing another. An example of this is the fact that many high-ranking Thai leaders, including Thai Prime Minister Prem Tinsulanon, have often stated that they want to resolve the problem in Thai-Lao relations through peaceful means. However, in their actual deeds, on 22 January they flocked to the border area where the clashes have taken place, and then directly ordered Thai troops to step up attacks to annex Lao territory.

This act shows the intentional use of military forces, not a peaceful means to solve the problem, and thus runs counter to the aspirations of the Lao and Thai peoples, who have always wanted to coexist peacefully and to see the borderline between the two countries turned into a borderline of peace and friendship.

Therefore, particularly after the LPDR Government's 25 January statement, in order to meet the urgent requirements of the Lao and Thai peoples, it is now solely up to the Thai side to decide how to solve the problem.

The point is this: There are so many ways to settle the problem tenderly and peacefully. It is up to the Thai side to choose and put into actual practice. One possibility is the way the Thai side settled the problem of the three villages in Paklai District, Sayaboury Province, in 1984. This means that when it is the Thai side that mobilizes armed forces to invade Lao territory, the Thai side must order all of its armed forces to withdraw from Lao territory. Another possibility for the Thai side is to hold talks with a Lao delegation in Bangkok or to send a delegation to hold talks with the Lao side in Vientiane early next February as proposed by the LPDR Government in its 25 January statement.

The above mentioned possibilities are considered to be more gentle and appropriate, and it is highly possible that these ways can lead to a peaceful settlement of the problem and to an end to the useless loss in blood and lives of the Thai people's children, who are blood brothers of the Lao people. It is an appropriate time for the Thai side to show its good intentions by responding to the aspirations and requirements of the two peoples of Laos and Thailand and to the Lao side's urgent call—full of a spirit of responsibility—and creative proposal for talks so as to settle the problems in the relations between the two nations—Laos and Thailand—together.

Army Supports Government Statement
BK270619 Vientiane Domestic Service in Lao
0430 GMT 26 Jan 88

[Unattributed "article": "Support LPDR Government's Statement on Thai Aggression and Annexation of Lao Territory"]

[Text] It has been more than a month since the serious and dangerous situation arose in the border areas west of Na Bonoi canton in Boten District as a result of the Thai ultrarightist reactionaries' invasion of Lao territory and the launching of large-scale operations against positions of the Boten District regional armed forces. In carrying out their operations, they have mobilized infantry forces—cavalry troops, Rangers, red guard troops, and others—in coordination with aerial bombardment and artillery fire. They have even used phosphor-tipped and toxic chemical-tipped shells in these serious operations launched since 15 December last year. Until now, there still has been no indication that these operations will come to an end.

As a result of these untoward incidents, sons and nephews of the Thai people have been deceived and forced to serve as cannon fodder for the Thai ultrarightist reactionaries who have gained benefits from the illegal log felling and timber smuggling and who have taken advantage of the war to enrich themselves. The Thai people's children have been sold and bought like goods. According to a news report, each family is paid 20,000 baht for the young men who are deceived and bought off to serve in the ranks of Rangers. But, if the parents, brothers, wives or children of the young men later change their

minds and want to get them back, they have to pay the ransom double the amount received. The injuries and deaths suffered by the Thai soldiers have brought great sorrow to the parents. As a result, children are orphaned, wives widowed and their families grievously suffer. This is the bitter condition that the fraternal Thai people have to face as a result of the Thai ultrarightist reactionaries' absurd acts;

It is regrettable that those responsible in the Thai Government and the generals in the Thai Army lack the conscience to end this useless bloodshed. More serious still, they have even added fuel to the flames and made it more dangerous. This can be clearly seen by the trip to the border of the leading officials in the Thai Government, including Prime Minister General Prem Tinsulanon together with other officials, such as the ministers of defense, foreign affairs, and interior as well as the Army commander in chief who is also acting supreme commander of the Armed Forces, on 22 January during which they joined in performing a farce on their cooked-up borderline by claiming that the Nam Heuang Nga River marks the Lao-Thai borderline in areas west of Boten District. This claim contradicts the French-Siamese border demarcation treaty of 1907 which stipulates that the Lao-Thai borderline stretches along the Nam Heuang River and the watershed on the Phou Miang Mountain.

The LPDR once again reiterates its good intentions in seeking a means to peacefully settle this conflict to avoid violence leading to these useless casualties. These good intentions were demonstrated in its statement of 25 January 1988. The LPDR once again reiterates its good intentions of desiring to hold talks to peacefully settle the problem with a view to putting an end to the violence and confrontation so to restore the fraternal Lao-Thai relations. It is noted in the statement that the Lao side is ready to send its delegation to Bangkok in early February 1988 to hold talks with the Thai side and that if the Thai side is unable to welcome the Lao delegation for any reason, the LPDR is willing to invite a Thai delegation to Vientiane during the said period.

The Lao side's proposal proves the sincerity, without any trick, to settle the problem. It is a truly creative proposal. Therefore, if the Thai side is its own, and there is nobody behind it, it should take into consideration the benefits of the Thai people who desire peace and who want to be friends with the Lao people whom they have always regarded as their blood brothers.

The LPA and the Lao people fully support this statement and call on the Thai side to respond to it in a positive manner in order to together establish and promote the fine Lao-Thai relations of friendship and to make them last forever.

Transport Deputy Ministers meet 25 January
BK271051 Vientiane KPL in English
0909 GMT 27 Jan 88

[Text] Vientiane, January 27 (OANA-KPL)—Transportation and posts deputy-ministers of Laos, Vietnam,

Kampuchea and the Soviet Union met here on January 25 to discuss their cooperation.

The meeting unanimously agreed upon a plan to find out ways for Laos to have direct connection with other fraternal socialist countries through the east sea via Kampuchean sea ports, then through the Mekong River. This channel will, step by step, facilitate the exchange of goods between Laos and other socialist countries, the meeting noted.

Joint venture on the basis of mutual interests was also discussed at the meeting. The participants agreed upon the usefulness of such an undertaking.

PRK Minister Greets Khamtai Siphandon
*BK270810 Vientiane Domestic Service in Lao
0430 GMT 26 Jan 88*

[Text] Recently, Comrade General Khamtai Siphandon, minister of national defense, received a congratulatory message from Comrade Koy Bunta, national defense minister of the PRK, sent on the occasion of the 39th founding anniversary of the LPA.

The message reads:

Beloved Comrade Minister: On the occasion of the 39th founding anniversary of the LPA, on behalf of the male and female cadres and combatants of the KPRAF throughout the country and in my own name, I would like to extend greetings to you, comrade minister, with great affection; and warmest congratulations and best wishes, through you comrade, to all male and female cadres and combatants of the fraternal LPA. May all of you have good health and good physical fitness so as to score victories in carrying out your tasks.

I wholeheartedly hail and commend all the glorious achievements and victories scored by the Lao people and Army during the past 12 years in building and defending their country.

The KPRAF throughout the country pledge to resolutely join hands with the Lao people and army in condemning the barbarous acts of aggression committed by the Thai authorities against the territorial integrity of the fraternal Lao people, especially in Boten District.

On this auspicious occasion, I wish that the relations of special solidarity and all-round cooperation between our two armies be further developed and strengthened and remain immortal forever.

May you, comrade minister, enjoy good health and fulfill all the tasks outlined by the fourth party congress.

Phoumi Vongvichit Receives Japanese Gifts

*BK231004 Vientiane KPL in English
0902 GMT 23 Jan 88*

[Text] Vientiane, January 23 (KPL)—Phoumi Vongvichit, president of the state committee for the international year for the child, yesterday received a consignment of gifts here presented to him by Sendo Matsunaga, president of the Sotoshu committee of Japan.

Over 20 tons of gifts worth more than 20,000 U.S. dollars included clothes, educational and sports equipment and others.

Phoumi Vongvichit on this occasion expressed profound thanks to Sendo Matsunaga for the gifts to the Lao children.

Greetings on Australian Bicentennial

*BK271049 Vientiane KPL in English
0855 GMT 27 Jan 88*

[Text] Vientiane, January 27 (KPL)—Acting President of the Republic Phoumi Vongvichit has sent a message to Sir N. Stephen, the governor general of Australia, greeting the 200th anniversary of Australia.

The acting Lao president's message reads:

On the occasion of the national day of Australia, the people and government of the Laos PDR join me to convey our warm congratulations and best wishes of well-being and prosperity to your excellency and through you, to the people and Government of Australia.

I wish that the relations of friendship and cooperation existing between our two countries be further strengthened and developed for the mutual interests of our two peoples and these of world peace.

Lao foreign minister's congratulatory message to his Australian counterpart William George Hayden says:

Speaking on behalf of the Lao people and government, Phoun Sipaseut, who is also vice chairman of the Council of Ministers, says:

May the relations of friendship and cooperation existing between our two countries be unceasingly developed for the mutual interests of our two nations, for peace, stability and security in the Asia-Pacific region and the world over.

'Grand' Reception in Vientiane

*BK271036 Vientiane KPL in English
0916 GMT 27 Jan 88*

[Text] Vientiane, January 27 (KPL)—The Australian ambassador to Laos, Mr. P.A. Jackson, yesterday evening gave a grand reception here to mark the 200th anniversary of the Australia Day.

Among important Lao Government personalities present at the function were Phoun Sipaseut, vice-chairman of the Council of Ministers and minister for foreign affairs, Sisavat Keobounphan, mayor of Vientiane, and a number of ministers and deputy ministers.

Diplomatic envoys, representatives of international organizations in Vientiane also joined the Australian community in Vientiane, mainly made up of Australian experts, in latter's bicentennial celebration.

The reception proceeded in a friendly atmosphere.

Phoumi Vongvichit Greets Indian National Day
*BK260953 Vientiane KPL in English 0904 GMT
26 Jan 88*

[Text] Vientiane, January 26 (KPL)—Acting president of the Lao People's Democratic Republic has sent a message of greetings to His Excellency M. Vengkataraman, president of the Republic of India, on the occasion of the 38th anniversary of the national day of the Republic of India.

The message wrote:

On the auspicious occasion of the 38th anniversary of the national day of the Republic of India, on behalf of the people of the Lao People's Democratic Republic and on my own behalf, it is my great pleasure to convey to your excellency, and through your excellency, to the Indian people my warmest congratulations and best wishes for your personal good health and happiness, for progress and prosperity of the friendly Indian people.

I am confident that the long traditional relations of friendship and good cooperation existing between our two countries and peoples will continue to be developed and strengthened.

With my highest consideration.

Reception Held in Vientiane
*BK271047 Vientiane KPL in English
0906 GMT 27 Jan 88*

[Text] Vientiane, January 27 (OANA-KPL)—Mr. Rainer Garge, charge d'affairs a.i. of embassy of the Republic of India to Laos, on January 26, held a reception here to mark the 39th anniversary of the country's national day.

Present at the reception were Sali Vongkhamso, vice-chairman of the Council of Ministers, chairman of the State Planning Committee, Khamphai Boupha, first deputy-minister of foreign affairs, and a number of deputy-ministers and high ranking officials.

Diplomatic envoys and representatives of international organisations to Laos were also present on this occasion.

Briefs

Lenin's Death Anniversary

Vientiane, January 22 (KPL)—A ceremony was held at the Soviet Cultural Centre here to commemorate the 64th anniversary of the death of V.I. Lenin, the founder of the Soviet state, the first socialist country in the world, and the leader of the working class. Lenin's thoughts and deeds were heard. He was hailed as the true successor of Karl Marx and Friedrich Engels. [Text] /Vientiane KPL in English 0910 GMT 22 Jan 88 BK]

Delegation Leaves for UK

Vientiane, January 22 (KPL)—A delegation of the Lao Public Health Ministry led by its Minister Khamliang Phonsena left here yesterday for the United Kingdom to attend a world-wide conference of health ministers on comprehensive prevention of AIDS to be held in London from January 26 to 28. Later, the Lao health delegation will pay a working visit to France in response to the French Government's invitation. [Text] /Vientiane KPL in English 0904 GMT 22 Jan 88 BK]

Party School Delegation Returns

Vientiane, January 23 (KPL)—A delegation of the higher party school led by its deputy-director Viengsai Solavit returned home on January 19 after attending an international conference held at the Social Science Academy of the CPSU CC in Moscow from January 13-14. The conference was attended by delegations from 8 countries: the USSR, the Socialist Republic of Vietnam, the Czechoslovak Socialist Republic, the Hungarian People's Republic, the Polish People's Republic, the Mongolian People's Republic, the GDR, and the Lao PDR. The participants discussed questions concerning "Lenin policy and agricooperatives and new problems arising from rapid agricultural development in socialist countries." They also reviewed the theory and experiences drawn from practical deeds in the development of agriculture as well as characteristics prevailing in profound cooperation among states, the CEMA, and questions relating to the uses of natural resources. The conference also reviewed the movement of collectivisation taking place in socialist countries. [Text] /Vientiane KPL English 0904 GMT 23 Jan 88 BK]

Philippines

Manglapus on U.S. Motives on Bases Issue
*BK271025 Manila PHILIPPINE DAILY INQUIRER
(SUNDAY MAGAZINE) in English 24 Jan 88 pp 20, 21*

[By Chay O. Florentino]

[Text] Raul Manglapus has successfully drawn quick circles pinned on the bases issue around Washington and the country's partners in the Association of Southeast Asian Nations—before they could realize it.

Surprised that he is regarded by the conservative press in the United States as an "extreme nationalist dangerous to Philippine-American relations," Manglapus is also aware of the disappointment he has caused among the nationalists who expect him "to just say 'out with the bases'."

Sharply criticized for transforming into a regional issue what has long been perceived and accepted as a bilateral question, Manglapus now insists, "I have put in doubt the allegation of the U.S. that the bases are here for the region."

In an October 1986 speech as an ordinary citizen at the Fletcher School of Diplomacy in the U.S., Manglapus said: "The regional ambivalence on the foreign facilities must be resolved if we are to rid the region not only of unfairness but of instability itself. As the Philippines prepares to make its own decision on the facilities before 1991 (the year the lease on the bases expires), ASEAN's members must take a common position on the question. Do they subscribe to the American position that the Americans are here for regional security? If they do, then ASEAN should now adopt the bases collectively, even as it seriously negotiates for its legitimate goal of neutrality. It should redistribute the facilities and assume joint political responsibility for their presence."

"If ASEAN decides that the strategy of ultimate neutrality is not served by the facilities, that their presence is not required for regional security, then the rest of ASEAN should join the Philippines in asking the United States to withdraw to its available island positions."

Since the speech at Fletcher was delivered before he was appointed foreign secretary, Manglapus can now easily claim his statements do not reflect the official position of the government. But, observers will agree, the apparent strategy he is pursuing regarding the bases rests mainly on the failure or reluctance of ASEAN to come out publicly with their stance on the bases.

After assuming his post October last year, the senator-turned foreign minister caught international attention when he swung through ASEAN capitals seeking the opinion of his counterparts on the U.S. military facilities here.

Testing ASEAN waters, Manglapus confirmed in a roundabout way a personal suspicion that the bases here are not meant to protect Southeast Asia, but American global interests.

Using a third party—"the ordinary layman"—Manglapus said he would probably ask why the Americans set up their bases in the Philippines in 1946, way before the Soviets set up their own in Vietnam's Cam Ranh Bay in the 1970s, if their presence—as they claim—is "also" meant to balance off the Soviets.

The existence of the bases "precedes ASEAN and the whole Vietnam episode." Therefore, Manglapus said, "there must have been a different reason at that time."

During his consultations with ASEAN leaders, Manglapus said he was "answered with complete silence" when he asked them about their thinking on the American position that the bases provide security to the Southeast Asian region. "Only one head of State in ASEAN bothered to come out with a public statement on them."

A Thai foreign ministry spokesman was reported in November as saying that his country has always recognized the bases in the Philippines as an important factor in maintaining political and military balance to ensure security in the region.

"At least now the matter has been thrown out of its dim and esoteric condition wherein nobody could tell whether the ASEAN was ready or not to accept this. From the documents that emerged from the ASEAN summit, now at least we know that ASEAN is not ready to accept openly this position taken by the Americans. Nor is it ready to agree with it."

In the public documents of this year's ASEAN summit, no mention was ever made of the bases. A confidential ministers report, however mentions the concern of the ASEAN over the continued uncertainty of the American presence in the region. Being "confidential," the document will however, be "of no practical use" to the Americans, Manglapus said.

Participants in the summit are bound not to reveal the contents of the document. "It would become an argument between what is secret and what is public. How can we argue on what is secret?" Manglapus asked.

The "official" ASEAN silence on the bases is something the Philippines "can go by now" in response to whatever anticipated moves the U.S. will take.

Unperturbed by criticisms raised against him regarding his consultations with ASEAN, Manglapus said the results of this move could have been a "bother" only if the Philippine policy had been exclusively to keep the bases. Then, he said, it would be difficult to defend keeping the bases to the people.

"It is more defensible now whatever option we take, whether we keep the bases or we throw them out. The people cannot say that I did not even try to investigate the facts in the region."

Manglapus exudes confidence that what he has been doing is correct. To so-called nationalist detractors who expect him to categorically state the Philippines wants to get rid of the bases by 1990, Manglapus says, "That is not the way we are conducting our foreign policy for the national interest. We have to assess the bases in the

context not only of our sentiments toward sovereignty, but also within the entire range of national problems of reconstruction, including the debt, labor, and national income issues. All of these have to figure in our calculations."

He concedes that while the government has to decide by 1990 whether it will keep the bases or not, its moves will also be subject to close scrutiny. "Anything we do in this year's review could be watched by those who are interested to see whether there's any hint of what we are going to do in 1990. I recognize that is going to happen."

Very carefully, Manglapus has been throwing punches at his future co-negotiators. Having no official ASEAN consensus to speak of, the U.S. will expectedly be asked to raise its money offer to keep the bases here.

"We are sticking our necks out for the entire region and they don't even want to acknowledge it. "It's a terribly unfair situation," Manglapus said. So he manages very shrewdly to use the long-standing and unchallenged U.S. argument against the Americans themselves.

The country's ASEAN partners, Manglapus said, cannot be expected to help pressure the U.S. extend to the Philippines increased compensation—a necessity, considering the economic hardships it is currently experiencing. "In the light of the refusal of ASEAN to come out publicly on the bases issue, I don't see how we can even think of asking our neighboring countries to have a hand in the discussion. I think it is a clear signal on their part that they don't want to have anything to do with these talks."

But what about the economic giant that is Japan? Manglapus thinks Japan would be "very reluctant" to be seen as exerting pressure on the Philippines to the advantage of its closest ally, the U.S.

Considering the Japanese pluralist society, Manglapus said it would not be a "simple case of one person twisting another's arm" with Japanese economic benefits intended for the Philippines serving as bait.

There are also sectors in Japan which want their country to project a military presence in Southeast Asia. This, Manglapus easily says, will "create a problem for ASEAN." He adds, "Very few will accept Japanese military presence because of the memories of World War II."

Ninety-five percent of Japan's raw materials are taken from abroad. This makes the Japanese not that invulnerable. "Japan depends too much on our trade. It's a two-way thing. They would not want to throw their weight around and be less of the beneficent partner they would like to be perceived."

Manglapus has been described as a shrewd player by those who have gotten the chance to see him in action. "He is smart. He listens, then uses what you say against you. He even twists things around," said an official at the foreign office.

Living in exile for 13 years in the U.S. and apparently a Filipino well-versed in American thinking, Manglapus is perhaps, the best choice to sit down at the negotiating table this year opposite Washington experts on the bases.

After breezing past Salvador H. Laurel, the foreign secretary who preceded Manglapus, the Americans are probably in for a more interesting contest.

Return of Three U.S. Military Sites Proposed
*HK230329 Quezon City Radyo ng Bayan in Tagalog
0200 GMT 23 Jan 88*

[Text] Congressman Rodolfo del Rosario of Davao del Norte has called for the return of three U.S. military facilities to the Philippines. According to him, the facilities could be used in the country's economic recovery program. The facilities are: Wallace Air Station at Bolo Point, La Union covering 157 hectares, the 396-hectare Camp John Hay in Baguio City, and the 2,896-hectare San Miguel naval communications station in San Miguel, Zambales.

Del Rosario said the facilities were mere duplication of Subic and Clark bases.

U.S. Journalist Testifies in Aquino Trial
*HK260657 Hong Kong AFP in English 0647 GMT
26 Jan 88*

[Text] Manila, Jan 26 (AFP)—A U.S. journalist Tuesday gave a trial court here evidence which state prosecutors considered material proof that a soldier shot Philippine opposition leader Benigno Aquino at Manila Airport in 1983.

Prosecutors said the testimony of TIME magazine reporter Sandra Burton, including a tape recording she made, supported their stand that a military plot was behind the slaying of President Corazon Aquino's husband.

The witness named former Armed Forces Chief of Staff General Fabian Ver, a close associate of deposed President Ferdinand Marcos, as the man Mr. Aquino had particularly feared before his fatal return home from the United States on August 2, 1983.

The recording she made was played in court as part of her testimony, and a man's voice saying "I'll do it, I'll do it" in Filipino was clearly audible amid a commotion before the first of three gunshots rang out.

Then an unidentified woman's voice was heard saying "they killed him, the soldiers, they killed Ninoy," Mr. Aquino's popular nickname.

Mr. Aquino had been fetched by three uniformed soldiers from the China Airlines plane that brought him home, and they led him down a stairway where the prosecution says a soldier shot Mr. Aquino from behind.

A star prosecution witness, airline mechanic Jessie Barcelona, testified two weeks ago that he saw a soldier in a khaki uniform shoot Mr. Aquino on the back of the head on the lower steps of the stairway.

Miss Burton, one of the foreign journalists who accompanied Mr. Aquino on his homecoming, said she interviewed the politician before they left Taipei for Manila, and he talked about his fears about returning to challenge Mr. Marcos.

"He did speak about the (Armed Forces) and the specific person was Gen. Ver," she said under questioning by state prosecutors who presented her as one of their last witnesses before resting their case next month.

Mr. Marcos and Gen. Ver fled to Hawaii 23 months ago after a popular revolt rooted in Mr. Aquino's death brought his widow, Corazon Aquino, to the presidency.

Gen. Ver was one of 40 men accused in the murder, but he and two other suspects cannot be tried since they have left the country.

The defense says Rolando Galman, a gangster allegedly hired by communist insurgents, shot Mr. Aquino on the tarmac before being gunned down by soldiers.

All 37 men now being tried for the Aquino slaying are also charged with murdering Mr. Galman, who the prosecution says was a scapegoat in a military plot to assassinate Mr. Marcos's longtime political rival.

Miss Burton said 10 seconds elapsed from the time Mr. Aquino emerged from the plane door to the moment she heard gunshots.

Chief prosecutor Raul Gonzales said this showed Mr. Aquino was still on the stairway because he could not have reached the tarmac within 10 seconds.

"Clearly, he was shot while negotiating the stairs," he said.

Aquino Gives Military 'Free Hand' Against NPA
BK270258 Manila PNA in English 0248 GMT
27 Jan 88

[Text] Manila, Jan. 27 (PNA-OANA)—President Aquino on Tuesday gave her a military a free hand in waging an all-out war against the communist New People's Army (NPA) to crush them before the end of her term.

The president gave the go-signal in a speech at the turnover of command by newly-installed Defense Secretary Fidel Ramos to incoming Armed Forces Chief Gen. Renato S. de Villa at the Army main headquarters in Camp Aguinaldo.

The president, apparently stung by the incessant NPA attacks in the countryside, said that the only answer to terror is force.

Now, only sheath of arms can buy us the time needed to make our economic and social initiative bear fruit, the president said.

The commander-in-chief said that since the extreme right has been defeated, I expect greater vigor in the prosecution of the war against the communist insurgents even as we continue to watch our back against attacks from the right.

She also lashed out at her critics here and abroad who, she said, misrepresent to the public our policy of all out war against communists as one of appeasement towards the communists.

No one believes their lies but themselves and they have paid the price for their self-delusions, she added.

She said those critics have never exposed themselves to danger.

The president also said those who have taken arms against the government are now in jail, or on the run and their followers scattered, apparently referring to the leaders of several failed coup attempts during the past two years.

The critics of our military policy on the left have attacked our vigilance over the people's right to live in peace and safety as harbinger of unrestrained warfare in which the greatest casualties were the innocent civilians, she added.

She said all accusations about deliberate disregard for human rights have been proven as lies.

The president said her counterinsurgency program remains the same anchored on achieving full economic development and sustained military operations.

Economic development is to pull out the roots and military operations to slash the growth of insurgency, the president said.

She assured that the civilian components of the government will work more closely with the military to achieve these dual objectives.

However, she said the military effort will not wait for the economic and social development now in progress.

The answer to endemic poverty is economic growth, sustained over the long term, she said.

The president also rallied the soldiers to go out and fight with the assurance that I will stand by you, through thick and thin, to share the blame, defend your actions, mourn the losses, and enjoy with you the final victory that I am certain will be ours, she said.

NPA Reponds With Warning

BK271202 Quezon City RPN 9 Television
in English 1030 GMT 27 Jan 88

[Text] Communist guerrillas today warned that there would be more bloodshed. This was the NPA's reply to President Corazon Aquino's directive to the Armed Forces to crush the communist insurgency before her term is over. The NPA released the statement from (Arnel Santoval), rebel spokesman, received by UNITED PRESS INTERNATIONAL in which (Santoval) was quoted as saying the state has been using force against the people for a long time. The NPA charged that the use of force resulted in rising human rights violations. (Santoval) said the answer to state terrorism is revolutionary force.

In yesterday's turn-over rite from Armed Forces of the Philippines Chief General Fidel Ramos to General Renato de Villa, President Corazon Aquino said the answer to communist terrorism is force. President Aquino, who attended the Ramos to De Villa turn-over, stressed that now that the extreme right has been defeated, she expects greater vigor in the war against communist insurgency. Mrs Aquino also assailed right-wing critics here and in the United States who had attacked her administration's policy towards the communist insurgency as either weak or without direction.

Ramos Prepares Counterinsurgency Campaign

HK251143 Hong Kong AFP in English 1106 GMT
25 Jan 88

[Text] Manila, Jan 25 (AFP)—The Philippine Government is preparing to destroy the nationwide political network of the communist insurgency in 1988, Defense Secretary Fidel Ramos said here Monday.

Mr Ramos, who retired as Armed Forces chief of staff Saturday to join the cabinet, told the Senate Defense Committee that the government will pursue a more aggressive campaign against insurgents this year with the aid of local officials elected last week.

He said that after President Corazon Aquino came to power in 1986, the primary thrust was reconciliation, but after peace talks with the rebels collapsed in early 1987, there was a shift to a "hard peace policy" combining military offensives with amnesty for rebels.

Mr Ramos said that in 1988, the emphasis of the government was the "destruction of the political infrastructure" of the Communist Party of the Philippines (CPP) and its 23,000-strong New People's Army (NPA).

He gave no details but it is common knowledge here that the CPP-NPA maintains front organizations and has established parallel governments in provinces, cities and towns where they have an influential presence.

He dismissed charges that the government had no clear-cut program to fight the CPP-NPA, which is present in 68 of the 73 provinces.

He said the plan consisted of a policy of attraction for rebels, development of the countryside where the CPP-NPA is based, law enforcement, political action, and central coordination by the National Security Council.

Mr Ramos admitted that before last week's local government election, which was dominated by Mrs Aquino's candidates, the program was carried out "rather haphazardly" because local executives were appointed and had no mandate.

"The democratic processes are almost complete," Mr Ramos said. "We now have a good government team at the grassroots."

His predecessor Rafael Iletto, who resigned following policy differences with Mr Ramos, formally turned over the defense portfolio in simple ceremonies Monday.

Mr Iletto, 67, a retired general and diplomat, said "this occasion marks a historic beginning of another era."

"Our country must stand strong against any force that will dare challenge its stability," he said, adding that "I leave with confidence that I share my ideals and vision with Secretary Ramos, a brother in arms, a durable leader, a very capable man."

Mr Ramos, 59, later said he would work for the restoration of the death penalty for rebellion and "heinous crimes" like murder after a new constitution ratified last year abolished capital punishment.

Plans To Use Reserve Forces
HK261311 Manila Radio Veritas in Tagalog
1230 GMT 26 Jan 88

[Text] Defense Secretary Fidel Ramos said today that the Defense Department will reactivate reserve forces in the counterinsurgency drive. According to Secretary Ramos, 18 divisions in the reserve services are presently being trained (to beef up troops outside Manila as well as those close to battle areas).

Meanwhile, new Armed Forces chief General Renato de Villa said that the unity of the Armed Forces is the most important issue now. Gen de Villa also called on military officials and men to unite and confront the communist rebels.

On the other hand, Senators Juan Ponce Enrile and Rene Saguisag strongly criticized the president for appointing General Fidel Ramos as defense chief and Renato de Villa as Armed Forces chief. According to Enrile and Saguisag, the president should have waited for the Commission on Appointments' confirmation of Ramos' and De Villa's nominations before swearing them into office.

At the same time, Enrile explained that the congressional session was not adjourned but, rather, simply suspended for 1 month.

Receives Program Endorsement
HK270231 Manila Far East Broadcasting Company
in English 2300 GMT 26 Jan 88

[Text] Representative Jose Yap, chairman of the House Committee on National Defense, yesterday [26 January] endorsed the five-point counterinsurgency program of new Defense Secretary Fidel Ramos. Yap said some of Ramos' proposals are now in various stages of consideration in the House. The establishment of a national reference card system has been proposed in a bill filed by Yap and two other congressmen. He also offered a measure increasing the special group (term) insurance from P12,000 to P50,000 for every member of the Armed Forces and the Integrated National Police. Yap said he had earlier suggested a review of Commonwealth Act No 1, including the country's national defense policy. He also said that in addition to the new defense secretary's five proposals, the government should also implement economic measures that will answer the people's basic needs. He said, with the implementation of all these measures, the insurgency will hopefully just die a natural death.

Legality of Aquino Appointments Questioned

Senate Orders Inquiry
HK261239 Quezon City Radyo ng Bayan in Tagalog
1000 GMT 26 Jan 88

[Text] Senate will try to find out if the Congress adjournment on 18 January could be regarded as a recess. Senate President Jovito Salonga ordered the Senate legal department to carry out the inquiry after Minority Floor

Leader Juan Ponce Enrile questioned former Chief of Staff General Fidel Ramos' appointment as the new defense secretary. Enrile argued that Ramos' appointment may be invalidated if it is proven that Congress had not gone into adjournment.

At the same time, Senator Rene Saguisag also spoke of what he called Malacanang's confusing position on the said issue.

[Begin recording in English] [Enrile] The issue now is that the Congress went into an adjournment. If so, all these would be valid and there would no question about the general's assumption of office. But in which case, all the proceedings undertaken by the Congress in the session of December 29 would be null and void.

[Saguisag] I can see really that there is some inconsistency in the position taken with regards to Secretary Factoran and the position in relation to the latest appointment. Maybe there will be an explanation that we can find legally tenable, intellectually respectable, and psychologically satisfying. [end recording]

Meanwhile, on his first day in office, Ramos met with his men and urged them to work as a team to live up to the expectations of the people.

Commission Postpones Actions
HK270731 Manila Radio Veritas in Tagalog
0630 GMT 27 Jan 88

[Text] The Commission on Appointments will not act on Aquino's appointment of General Fidel Ramos as the new defense secretary, nor on the appointments of General Renato de Villa as chief of the Armed Forces and of Lieutenant General Eduardo Ermita as vice chief of staff.

Salonga, chairman of the commission, stated that they would like to first clarify whether the Congress was in recess or not when President Aquino made the appointments. Malacanang believed that the Congress was in recess when the president appointed Ramos, De Villa, and Ermita to their new posts, but Congress believed otherwise.

On the other hand, Senator Ernesto Macea announced that even if the issue of Congress being in recess or not were resolved, the appointments were still illegal.

On the veto issue, President Aquino emphatically said that the veto itself was an explicit statement of her opposition to the expansion of the Commission on Appointments' powers.

Opposition Urges Impeachment

*HK270239 Manila Far East Broadcasting Company
in English 2300 GMT 26 Jan 88*

[Text] The opposition Grand Alliance for Democracy [GAD] urged Congress yesterday [26 January] to begin impeachment proceedings against President Aquino for naming General Fidel Ramos as her new defense secretary without congressional approval. GAD Chairman Francisco Tatad told reporters Secretary Ramos should not have been sworn in as the new defense secretary last Saturday without the approval of the Congressional Commission on Appointments. Tatad said even if Congress had been in session, it could not have acted on Ramos' appointment since the oath-taking was done on a weekend when Congress was closed. The Constitution states that cabinet appointments must be approved by the Commission on Appointments. The charter allows the president to appoint cabinet members while Congress is in recess but states that such appointments shall be effective only until the approval by the Commission on Appointments or until the next adjournment of Congress.

Meanwhile, the president brushed aside the opposition's call for her impeachment. Mrs Aquino defended her appointment of former defense chief Fidel Ramos as defense secretary. She dismissed the GAD accusation, saying her actions were all legal.

Aquino Denies Accusations

*HK261259 Quezon City Radyo ng Bayan in Tagalog
1100 GMT 26 Jan 88*

[Text] President Aquino today emphasized that she did not violate the Constitution when she appointed and swore into office retired General Fidel Ramos and three officials of the Armed Forces. Here is Sel Baesa for the details:

[Begin recording] The statement was issued by the chief executive in reaction to GAD spokesman Francisco Tatad's accusation. Tatad used to be information minister during the term of ousted President Marcos. He also requested impeachment proceedings against President Aquino because of her move to appoint and swear into office General Ramos as the new defense secretary. The president was interviewed before going to Camp Aguinaldo to attend the turnover ceremonies of the new AFP [Armed Forces of the Philippines] chief. She said that this matter was extensively studied by her legal advisers.

Meanwhile, Executive Secretary Catalino Macaraig said the Congress was in recess when the president appointed Gen Ramos. Thus, she did not violate constitutional laws. The president added she will not make any reckless move to violate the Constitution, which she swore to uphold, defend, and respect. [end recording]

Comelec Freezes Proclamations in 23 Areas

*HK270553 Baguio City Mountain Province
Broadcasting Company in English 0330 GMT 27 Jan 88*

[Text] The Commission on Elections yesterday froze the proclamation of election winners in 23 areas, including a province where a military officer linked to a coup allegedly won the race for governor.

Comelec counsel Horacio Apostol said the order was issued following charges by losing candidates of misconduct and massive cheating in the January 18 local polls. The Grand Alliance for Democracy [GAD] protested against the order and warned that it could push the nation to a breaking point. GAD chairman Francisco Tatad urged Comelec to reconsider its decision, saying it is a brazen distrust toward the popular will.

Areas where proclamations have been frozen include the northern Cagayan Province where former Lieutenant Colonel Rodolfo Aguinaldo won the governorship, beating an administration candidate by a wide margin. Aguinaldo was relieved as provincial commander after he supported the aborted August 28 military coup allegedly.

Cagayan Results Suspended

*HK261505 Quezon City Radyo ng Bayan in Tagalog
1300 GMT 26 Jan 88*

[Text] The Commission on Elections yesterday suspended the proclamation of former Colonel Rodolfo Aguinaldo as the governor-elect of Cagayan Province. In an en banc session, the Comelec commissioners agreed to first hear the petitions of losing candidates Teresa Dupaya and Alfonso Tuzon.

In their complaints, Dupaya and Tuzon said that the elections in Cagayan were held in an atmosphere of terrorism. Voters were allegedly forced to vote for Aguinaldo out of fear for their lives.

Meanwhile, Aguinaldo vehemently denied the allegations, saying that the people of Cagayan were able to cast their votes freely on 18 January.

Troops Escorting Ilocos Ballot Boxes Attacked

*HK261435 Quezon City Radyo ng Bayan in Tagalog
0900 GMT 26 Jan 88*

[Text] From Camp Dangwa, it is reported that armed men fired at a group of soldiers escorting ballot boxes to Masingan town in Ilocos Sur, where local elections were held on Monday. According to a military report, the exchange of fire between troops and suspected NPA rebels lasted 30 minutes.

Colonel Juanito Aquias, deputy regional command chief, said no casualties were reported in the said incident. After the attackers were turned back, the ballot boxes were delivered safely to Masingan town.

Iloilo Mayoralty Candidate Shot, Wounded
*HK270217 Manila Far East Broadcasting Company
in English 2300 GMT 26 Jan 88*

[Text] The leading mayoralty candidate in the January 18 local poll in Tigbauan, Iloilo Province, was shot and wounded by unidentified assailants the other night. This happened while he was crowning a barangay fiesta queen. Independent mayoralty candidate Bonifacio Privilegio was rushed to a hospital, but his security officer, Sergeant Parillo, died on the spot. Privilegio was leading over three other mayoralty bets in the canvass of returns when he was shot.

Ilocos Sur Local Polls Said Peaceful
*HK261451 Quezon City Radyo ng Bayan in Tagalog
1000 GMT 26 Jan 88*

[Text] In Ilocos Sur, Evaristo Singson, former mayor of Vigan, was ahead of his his opponent, former assemblyman Salacmid Baterina, in the gubernatorial race. Based on the latest tally, representing 35% of votes from 35 municipalities, Singson was leading by more than 18,000 votes. He garnered 51,231 votes, as against Baterina's 33,087 votes.

Mr Taho, Singson's running mate, was also ahead of his opponent.

The special elections in Ilocos Sur were reportedly peaceful, orderly, and clean.

Military Said Ready For Upcoming Leyte Polls
*HK271249 Manila Radio Veritas in Tagalog
0700 GMT 27 Jan 88*

[Text] All military forces are ready for the special local elections to be held in Leyte province on Monday, 1 February. Here is the report from Rey Gaspay of Tacloban City:

[Begin Gaspay recording] Everything is going smoothly and the peace and order situation is under control, according to regional command commander Brigadier General Lorenzo Mateo. The military troops are ready to guard voting centers.

From regional unified command 8, Brigadier General Franklin Samonte also reported that his soldiers were ready to guard voting centers, adding that he has assigned military assistants to the Comelec to guard voting centers in Leyte as well as in northern Samar where local elections will also be held on 1 February. [end recording]

Military Said Ready For Upcoming Leyte Polls
*HK271249 Manila Radio Veritas in Tagalog
0700 GMT 27 Jan 88*

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Aquino Answers Listeners' Questions

[Slantlines Denote Passages in English]

HK250725 [Editorial Report] Quezon City Radyo ng Bayan in Tagalog at 1300 GMT on 24 January carries a 45-minute live program entitled "Magtanong sa Pangulo" ["Ask the President"] in which President Corazon Aquino answers listeners' phoned-in questions, some of which are relayed by moderator "Orly."

The president starts by thanking all those who voted in the recent election and the candidates for helping keep the polls clean and peaceful. "As I said, the most important thing was peace and order. It was important for me that the candidates I endorsed won; but more than that, what I really wanted was for us to have an election about which we could boast to the whole world. In my opinion, that is what happened because most of the reports I got said that things were peaceful and all those who wanted to vote were able to do so. Not like in the early days when there was some trouble about trying to find the right polling places. This time people knew where their precincts were and voting went on in an orderly manner. I want to thank all those people who prayed to God to help us keep the election clean. I also want to congratulate all those who won and remind them to remain humble and serve the people."

Moderator Orly says there have been some queries about the deadline for the registration of agricultural lands. President Aquino says the deadline is 8 February, adding that information required from landowners has now been reduced. Land size and fair market value must be specified, otherwise the government will have to do its own assessment.

Speaking of her own contribution to the land reform program, Mrs Aquino says, "On behalf of my brothers and sisters, as far as Hacienda Luisita is concerned, I reiterate that we, the owners, are ready to place the hacienda under the operation of the Comprehensive Agrarian Reform Program."

A Manila resident comments on the fact that many of the candidates endorsed by the president won the election but her relatives were trounced. He asks for her conclusion about this. The president reminds him that she had said earlier that she would strongly discourage her relatives from running; she had said earlier that it would not be proper for her relatives to run in the local election. /"So I waited for the people to decide, and they have decided and I respect the wishes of the people and certainly that is how it should be."/

A Laguna resident asks how NPA terrorist activities affected the election. President Aquino says reports were received from some areas, especially Bicol, southern and central Luzon, and Mindanao, about NPA harassment and demands for protection money. She says the Comelec decided to postpone the polls in those areas so that troops could be deployed to protect the voters. She says, /"I am appealing to all of our candidates, and especially those who will be in the areas where there will still be elections—we should not vote for anybody who will not be a free agent./ I have heard that sometimes not only was money demanded by the rebels but also arms. This means they plan to resort to violence. So the people must carefully choose their candidates, so as not to vote for those who have such connections which means they will have no compunction about employing violence for their cause. Now that democracy reigns, we need to preserve this by voting for the right people."

A Tondo resident says the military admitted that some areas of the country were under the sway of the NPA and the local polls could not be properly conducted there. She asks for the president's comments on this. Mrs Aquino says the government's main response to this problem was to deploy troops in those areas considered trouble spots so as to ensure orderly elections.

A Quezon City resident points out that several opposition and independent candidates won in the polls. He asks how the government will treat those winners. Mrs Aquino replies: /"I had said that the government will assess all elected officials and certainly there will be no prejudice toward those opposition officials who won. We are committed to help all Filipinos. This government will reach out to all the elected opposition and independent candidates."/

A Manila resident originally from Leyte asks why the election was postponed in his province when he did not believe conditions warranted such a postponement. Mrs Aquino says the Comelec depends on reports from the military about peace-and-order conditions throughout

the country, and in the case of Leyte the military recommended the poll be postponed. She assured the caller that decisions to postpone were not taken arbitrarily.

A Pangasinan resident asks if the president thinks the electoral reform bill played an important role in the recent poll. Mrs Aquino says it did, citing as evidence the small amount of propaganda posters and other material throughout Manila during the campaign, compared to past campaigns when a major clean-up had to be made after each election. She also said the Comelec ensured that all candidates had equal time in the media, unlike in the past when the candidates with the most money had the greatest exposure.

A Makati resident says there were rumors that terrorists would sabotage the election. She asks if the president knew of this. Mrs Aquino says she received such a report and that the Armed Forces took the necessary precautions to thwart such attempts to disrupt the polls. The military was on full alert against such rebel attempts, she emphasizes.

A La Union resident asks what the recent election did to help stabilize conditions in the country. President Aquino says, /"I think the role the local election played is definitely a very important one. In the past, our OIC's [officers-in-charge] were not really given the respect and support they needed because they had not been elected and had only been appointed. In view of the fact that officials now have the mandate of the people, they will go a long way in helping the government implement our programs."/

A Pangasinan resident asks why the vote count is taking so long. The president says this is because some candidates have demanded a recount of the votes, which naturally slows down the canvassing. She heartily commends those candidates in Manila and Makati who promptly conceded, calling them /"good sports."/

The president ends the program by expressing her satisfaction for the fact that this was a fairly orderly election, with far fewer election-related incidents than in previous elections. Her final message is to all governors. /"I am asking all our governors to post in all the provincial capitals their list of government projects for 1988 so the people will know what those projects are and will be able to monitor them. The people should know where government money is going."/ She vows to make her home province of Tarlac a "model province" to set an example to the people. Finally she terms the recently completed election a victory for democracy.

Vows Direct Consultations
HK251043 Manila Radio Veritas in Tagalog
0700 GMT 25 Jan 88

[Text] President Corazon Aquino has stressed her intention to continue direct consultations with local leaders and people to find out about the real problems in each locality in the country.

In a message to residents of Sapang Palay, San Jose del Monte, Bulacan, she said that her visit to the area on her birthday today was not a mere gimmick. Rather, she really wanted to find out about the residents' problems.

Today is the birthday of President Corazon Aquino.

Aside from attending a mass, the president also inaugurated a P2.5 million water system in Sapang Palay. She also ordered the implementation of more livelihood programs in Bulacan Province.

[Begin Aquino recording] If I wanted to engage in gimmickry, I could have just stayed in Manila and have you gone there. If I did that, how would we find out about the problems? I need to be with you and to hear from you on how I can serve you. [applause] I often travel to different provinces in order to establish contacts with the people. If I did not travel there, I would never know about your real problems, and you are the ones who can help us resolve these problems. [end recording]

Urge Political Unity

HK261425 Quezon City Radyo ng Bayan in Tagalog
1000 GMT 26 Jan 88

[Text] President Aquino today called on Cebu's political leaders to unite and cooperate with one another, regardless of their party affiliations, in order to serve the interests of the people. The president issued the appeal at a meeting with political leaders from Cebu, including the Durano family, who announced their support for her government.

The political leaders described to the president the current political situation in Cebu and Bohol Province.

Meanwhile, Senator Ernesto Herrera reported to the president the victory of all administration candidates in Bohol. He also noted the tight race between the Osmenas and the ruling coalition's candidates in Cebu.

Farmers Say Aquino Will Not Keep Land Pledge

HK261447 Manila Radio Veritas in Tagalog
0700 GMT 26 Jan 88

[Text] The Federation of Free Farmers [FFF] has said that President Aquino's promise regarding the extensive implementation of the Comprehensive Agrarian Reform Program in Hacienda Luisita will remain just a promise. This statement was issued by FFF leader Jeremias Montemayor. He added that if the president is true to her promise, the farmers will not worry about their situation. But Montemayor said bluntly that Mrs Aquino's statement is far from reality.

House Sets Timetable on Land Bill Approval

HK271223 Quezon City Radyo ng Bayan in Tagalog
1000 GMT 27 Jan 88

[Text] The Lower House has agreed to set a timetable of 21 days for the approval of the agrarian reform bill. The agreement was reached after various sectors of society called the legislators attention on the matter saying the plight of the small and landless farmers are being forgotten. The timetable takes effect today, wherein 8 days are allotted for interpellation, five days for the debates, and eight days to make the amendments in the bill outlined by the committee on agrarian reform.

Vietnam

VNA Cites NHAN DAN on Relations With China

BK270743 Hanoi VNA in English 0715 GMT
27 Jan 88

[Text] Hanoi VNA (OANA) Jan. 27—The newspaper NHAN DAN today calls on the Chinese side to positively respond to the goodwill of Vietnam, Laos and Kampuchea by renouncing confrontation and embarking on negotiation for normalization of relations.

Under the title, "Let's Sit Down to the Negotiating Table", the paper writes: "With a high sense of responsibility toward peace and security in Southeast Asia and joining in the common trend of the world, Vietnam has always advocated dialogue to resolve disputes between neighbouring countries. With regard to China, we have for years now persistently expressed our sincere desire for a bilateral meeting to discuss how to stop the conflict and ease tension. We have advanced many initiatives and proposals in hopes of attaining this end. However, the Chinese side has flatly refused to respond.

"Our position is constant. Our goodwill has recently been manifested anew. On Jan. 22, 1988, at the round-table conference of Asian-Pacific journalists, Nguyen Van Linh, general secretary of the Communist Party of Vietnam Central Committee, declared: "The Vietnamese people have always treasured their long-standing relations with the Chinese people. With the long-term interests of the two nations in mind, we once again declare that we are prepared to talk with China anywhere, any time and at any level with a view to normalizing our relations with the People's Republic of China, in the interests of the two peoples and of peace and security in Asia-Pacific and in the world."

"Our desire is sincere. We have always manifested such desire by actions. For a long time now, our mass media have observed self-restraint, although China's words and actions ought to be condemned.

"The Chinese side has not responded to the goodwill of our people and the world people. Of late, the public has shown great surprise at their actions. During the first 20 days of this year, their armed forces fired more than

3,000 artillery shells on Vi Xuyen area and made many intrusions into Vietnamese territory. They have committed crimes while falsely accusing Vietnam. Chinese mass media spread the lie that Vietnam has provoked China. They have tried to make believe that they are not to blame for the tension.

"With regard to the Lao-Thai conflict, they have in fact stood squarely on Thailand's side, quoting only Thai news reports, fanning up public sanction against Laos, thereby further straining the relations between those two countries.

"With regard to Kampuchea, while the world public was following with keen interest the meetings between Chairman Hun Sen and Prince Sihanouk, a new manifestation of the developing trend of dialogue for peacefully settling the Kampuchea issue and the Southeast Asia issues, the Beijing leaders showed their displeasure at the initial results of those meetings. It is said that China wants to divert the talks to another direction in a bid to permanently maintain the genocidal force and block the prevalent trend of dialogue in the region. As BBC noted on Jan. 25, China's reporting about skirmishes along the Vietnamese-Chinese border has testified to its unwillingness to take part in the process of peace in Kampuchea.

"Public opinion has every reason to urge the Chinese side to reconsider their attitude. Dialogue is always better than confrontation. Both the Vietnamese and Chinese peoples, for their own legitimate interests, are urging the Beijing authorities to positively contribute to the consolidation of peace and stability in Asia and the Pacific, especially in Southeast Asia. Such contribution must, first of all, be shown through actions commensurate with the prevailing trend of dialogue in the region. In other words, they must respond to the constructive proposals of Vietnam, and of the three Indochinese countries as a whole, for normalization of relations of China with Vietnam, Laos and Kampuchea. Those who stand for further straining the situation by kindling conflicts, causing confrontation and division among countries in the region, will be condemned and isolated".

Army Daily on 'Allegations'
BK271252 Hanoi Domestic Service in Vietnamese
1000 GMT 27 Jan 88

[From the daily "Press Review" feature]

[Text] Concerning the news spread by XINHUA that since early this year Vietnam has fired more than 2,000 artillery shells into the Laoshan border area of Yunnan Province and other slanderous allegations made by the same agency against Laos, QUAN DOI NHAN DAN carries a commentary stressing:

From the lack of accuracy and objectivity in these two instances of news reporting, one has good reason to conclude that China still has not changed its policy of fomenting tension with the Indochinese countries.

Occurring at a time when Chairman Hun Sen and Prince Sihanouk were holding a dialogue to find a political solution to the Cambodia issue, the spreading of these fallacious, hostility-provoking news reports cannot but make public opinion think that Beijing was irate because the dialogue did not fit in with its scheme. Is it not true that China is seeking to sidetrack public opinion which is encouraging the Hun Sen-Sihanouk dialogue? This shows that China still lacks a realistic attitude and is still seeking to create tension to obstruct the trend of dialogue which is developing vigorously in the region.

This move by Beijing is surely not going to win the approval of progressive opinion.

Nguyen Co Thach Declares Wish To Join ASEAN
HK270819 Quezon City MALAYA in English
27 Jan 88 pp 1, 7

[“Special Report” by Ellen Tordesillas: “Vietnam Wants To Join ASEAN”—first of a series]

[Text] Ho Chi Minh City—"In the name of the government of Socialist Republic of Vietnam, I now declare that Vietnam has never contemplated the idea of a federative Indochina, and that Vietnam has several times declared its readiness to join the Association of Southeast Asian Nations."

Thus, Vietnamese Foreign Minister Nguyen Co Thach disclosed before some 60 journalists from 19 countries attending the round-table conference on problems of security and cooperation in Asia and the Pacific, the diplomatic offensive that his country is undertaking as it tries to heal what he called "the moral wounds of war."

Referring to the joint press statement of the six ASEAN heads of government at the Manila summit last December urging the total withdrawal of Vietnamese troops from Kampuchea, Thach said ASEAN's prerequisite for the establishment of a Zone of Peace, Freedom and Neutrality (ZOPFAN) in Southeast Asia "has been proved impractical by the realities in the past nine years."

Thach, 65-year-old architect of Vietnam's foreign policy, instead made two proposals: either to establish ZOPFAN in Southeast Asia as a framework and create a favorable environment for the settlement of the Kampuchean issue or carry out the two undertakings simultaneously.

Thach supported the view expressed by Indonesian President Suharto in the ASEAN summit that the creation of a ZOPFAN in Southeast Asia should be promoted even though the Kampuchean issue has not been resolved.

Thach said the past nine years, Vietnam together with Kampuchea and Laos have remained steadfast in the quest for a peaceful solution of the problem of six million

Kampucheans who had undergone a series of political upheavals since 1970, the most traumatic of which was four years of genocide under the Pol Pot regime.

Thach said the other side, referring to the Coalition Government of Democratic Kampuchea and their supporters, has rejected all their offers while making unreasonable claims.

Thach said the demand for the withdrawal of Vietnamese troops as a prerequisite and the dissolution of the People's Republic of Kampuchea "would be tantamount to the restoration of the genocidal Pol Pot regime in Kampuchea, for, it is known to all, the backbone of the so-called tripartite coalition is made up by none other than Pol Pot's forces."

He said that by 1990, Vietnamese forces would be completely out of Kampuchea.

Thach also replied to concerns about the difficulty in setting up ZOPFAN in Southeast Asia due to the presence of Soviets in Cam Rahn Bay and of the American bases in the Philippines.

"I have several times stated: Cam Ranh was no Soviets military base," the Vietnamese foreign minister said.

Thach recalled the 1986 Vladivostok declaration of Soviet General Secretary Mikhail Gorbachev that the "Soviet Union is a convinced advocate of disbanding the military groupings, dismantling military bases in Asia and the Pacific and withdrawing troops from the territories of other countries."

Thach reminded the journalists of Gorbachev's challenge that "if the United States ended its military presence, say in the Philippines, we would not leave this step unanswered."

Thach said: "I think the Americans understand that very well but they have deaf ears."

Thach, who steered his country's foreign policy during the 20 years of war with the United States, said normal relations between the U.S. and Vietnam "would be the best dressing for the moral wounds inflicted by the war on the two peoples."

He said, "As long as the present state of hostility between the two countries continues, these moral wounds of war will keep on bleeding."

Views on Philippines Relations

*HK270821 Quezon City MALAYA in English
27 Jan 88 p 7*

[Interview with Foreign Minister Nguyen Co Thach by Peter Limqueco, editor of the JOURNAL OF TEMPORARY ASIA, in Ho Chi Minh City, on 19 January—"Limqueco shared with MALAYA portions of the interview which are directly relevant to the Philippines"]

[Text] On Philippine-Vietnamese relations under the Aquino government.

"We have normal relations with the Aquino administration but we have very few contacts and only small trade. Contacts between the two countries on the government level are very few. I understand that Mrs. Aquino's administration has many problems.

"We have many delegations invited by some international organizations to go to the Philippines to attend seminars and conferences on an international level but they were not given a visa (by Philippine authorities). I don't know what is the reason.

"It is our policy to improve relations with the Philippines.

"I must say that between our two countries we have no very heavy burden from the past. We have had some, but not as heavy as with China or France or the United States or Thailand.

"We would like to have friendship and good relations with the Philippines. We wish the Philippine people happiness, peace and independence. I would also like to visit the Philippines."

On the Spratley Islands.

"There is a problem with regard to the Spratleys. I think it is no good. The territorial conflict must be settled by peaceful means.

"I think it is better to maintain the status quo and to have talks afterwards. Between the two countries, we can have negotiations on this matter rather than use force. It is no good."

On allegations of Vietnamese assistance to the New People's Army

"My ambassador in Manila declared very clearly, without any ambiguity that there is no such action. No supply of arms whatsoever. We don't have contact or relationship with the New People's Army."

On joining the Association of Southeast Asian Nations

"Our purpose (in joining) is for better understanding, for better relations between the two groups of countries so we can set up the zone of peace, freedom and neutrality plan of ASEAN.

"We have no intention of joining a political cooperation, only economic cooperation, and no military cooperation. At least, we can stop forever the confrontation between the two groups of countries in Southeast Asia. It (the tension) has lasted for forty years already, even before the formation of ASEAN."

On the division in ASEAN

"The collapse of ASEAN would be no good for Southeast Asia. it is our desire to have a group of countries for a zone of peace, freedom and neutrality. ASEAN's objective is the same as ours and can survive every change in the world."

VNA Reports DPRK Envoy's News Conference

*BK250235 Hanoi VNA in English 1459 GMT
23 Jan 88*

[Text] Hanoi VNA January 23—The ambassador of the Democratic People's Republic of Korea, Kim Chong-song, held a press conference here on Friday to categorically reject the so-called "results of the investigation" into the crash of a South Korean passenger airplane in last November which were cooked up by the South Korean authorities against the DPRK.

The ambassador quoted the Jan 15 statement of the KCNA News Agency as stressing that the DPRK once again declares that it has nothing to do with the air crash, and that the South Korean authorities must stop at once their slander campaign against the DPRK.

Leaders Greet Romanian General Secretary

*BK251700 Hanoi VNA in English 1610 GMT
25 Jan 88*

[Text] Hanoi VNA Jan 25—Vietnamese party and state leaders today sent a message to Nicolae Ceausescu, general secretary of the Romanian Communist Party Central Committee and president of the Socialist Republic of Romania, greeting his 70th birthday.

The message, jointly signed by Nguyen Van Linh, general secretary of the Communist Party of Vietnam Central Committee, and Vo Chi Cong, president of the State Council, expressed their belief that the Vietnam-Romania friendship and cooperation would constantly consolidate and develop in the interests of the two countries and of peace and socialism.

The message also wished the Romanian leader good health and success in his noble mission.

Officials Attend Celebration

*BK251610 Hanoi VNA in English 1548 GMT
25 Jan 88*

[Text] Hanoi VNA Jan 25—Sisu Constantin, Romanian charge d'affairs in Vietnam, today held a get-together on the 70th birthday of Nicolae Ceausescu, general secretary of the Romanian Communist Party Central Committee and president of the Socialist Republic of Romania.

Among those present on the occasion were Le Xuan Dong, deputy head of the Commission for Propaganda and Training of the party Central Committee, and Nguyen Dy Nien, deputy foreign minister.

The Romanian charge d'affairs spoke of President N. Ceausescu's big contributions to the Romanian revolutionary cause over the past half century.

Deputy Foreign Minister Nguyen Dy Nien asked the Romanian charge d'affairs to convey his birthday greetings to President N. Ceausescu and expressed his wishes for further consolidation and development of the friendship and cooperation between Vietnam and Romania.

On this occasion, the guests were invited to see books and photos on display about the president's activities.

Dr Nguyen Xuan Oanh on Investment Law

*BK251559 Ho Chi Minh City SAIGON GIAI PHONG
in Vietnamese 7 Jan 88 p 2*

[Article by Dr Nguyen Xuan Oanh: "The Law on Investment: The Beginning of a Challenge"]

[Text] One of the important laws passed at the second session of the Eighth National Assembly is the law on foreign investment in Vietnam. We all hope that this law's promulgation will open a new era in economic relations between us and foreign countries. In the past 2 or 3 years, during our foreign trips or while receiving guests from foreign countries—be they diplomats, journalists, businessmen, or government officials—we were all asked: When would a new law on investment be promulgated? What would be the essence and provisions of such a law? What privileges would investors be guaranteed? And, in general, would the new law be as attractive as those now in force in various countries? Obviously, foreign countries are interested in our country's law on investment. This is because, while seeking "unclaimed" areas, international businessmen tend to see investment laws as a primary factor as well as a necessary condition for beginning truly meaningful economic relations.

Looking at 30 large and small countries in the Asian-Pacific region alone, one can see that Vietnam has been the slowest in introducing a law on foreign investment. It is obvious that this slowness, for whatever reason, has taken its toll. Even worse, the price we have paid has

been a loss of decades of development. Now, we are off to a good start. It is our only source of comfort and also our sole "advantage" that we can now relatively understand what we have to do and can draw on the successes and failures learned by those countries which have preceded us. This will help us not only in avoiding common stumbling blocks but also in choosing a relatively secure approach ensuring the highest success.

The legal system in the world differs from one country to another, ranging from language and descriptive methods to the contents, spirit, and ways of explanation. To foreigners, working in an unfamiliar legal framework always implies a lot of uncertainty. Each country is sovereign which, the meaning of which includes the right to revise its laws. The demand for a law on foreign investment has arisen as people want to have some commitments from the law enforcers. They want to have a law that clearly stipulates the responsibilities and rights of foreign investors in business. They also want guarantees for the effect of this law even if it is a relative effect. It would certainly be a source of concern for foreigners if their business transactions were regulated only by government stipulations, namely by the executive body. Also, to this effect, all provisions of the law must be clear-cut and easily comprehensible and provide for only one way of interpretation. It is necessary to cut to a minimum ambiguity, generality, and unspecific statements. Perhaps all of us are of the same opinion about the need for a law on investment for foreigners. And this law must be enacted in an appropriate manner if our goal is to be achieved.

We had the opportunity to study the draft law on foreign investments before deciding to take a vote on it. This is a relatively new subject for our law makers. Nevertheless, a comparative study of the laws of countries in the region shows very fundamental similarities. This is because once we have joined the international community, or in other words, once we have accepted a game, we must know and abide by its rules. The regulations governing foreign investors' business activities in Vietnam, the guarantees given to them, and the incentives and privileges they are entitled to are international practices known and observed everywhere in the world. This knowledge will make us feel more self-confident when we have to make very important decisions.

As a result of their backward economies, low exploitation of natural resources, abundant work forces, and low labor costs, developing countries are often aware of their abundant sources of supply and their major potentials capable of effecting relatively high rates of development at the initial stage, and of attracting foreign investment. Nevertheless, as shown by experience, optimism and even subjectivism have soon been followed by disappointment. This is because people too often fail to see the difference between monopoly and competitiveness and between necessary conditions and sufficient conditions.

Of the 150 countries worldwide, with a total population of five billion people, some 120 countries, big and small, with a total population of about four billion people, are in need of long, medium, and short-term foreign investment and financial credits. A look at our country alone would help us have a clear idea about the extent of this need. The postponement or cancellation of many infrastructure building projects, agricultural development projects, industrial investment projects, and cultural-social development projects (education, public health, information...) has been caused partly by an insufficient source of foreign currency aid, thus seriously affecting the rate of development of the national economy. This annual demand for foreign currency aid is equal to no less than 25% of the gross national product and can only be met partly by foreign aid; long, medium, and short-term international credits; and exports. For many reasons, foreign investment, which constitutes an international fund incurring no debt in the international balance of payments, have constantly been of the utmost importance. Therefore, all together, the developing countries have huge investment demands. Even if we put the figure of this investment demand at 100 U.S. dollars per capita, the total would reach as many as U.S.\$400 billion.

The surplus of capital in developed countries is approximately U.S.\$700-800 billion. However, a large part of this amount has been set aside for investment in these countries themselves or for their participation in international financial markets and international credits. The actual amount for direct investments in developing countries may stand at only U.S.\$100-150 billion. This means that as far as this investment market is concerned, there is a very great imbalance between supply and demand, thus giving way to fierce competition for foreign investment between developing countries. This also means that the actual costs for attracting investments will become higher and higher with each passing day. In other words, whether they like it or not, developing countries must be prepared to pay certain prices in order to attract foreign investment.

The competition, the price to be paid, has been made clear by this investment law. Given the current operating conditions of the local people, what is provided for in the law really amounts to rolling out our "red carpet" to welcome foreign investors. How do we strive harder if we are reminded that the red carpets rolled out by other countries are much thicker, softer, larger, and longer than ours. For instance, many countries have established clear stipulations on banning all labor strikes at joint venture enterprises, on the freedom of recruiting and laying off local personnel and paying wages in foreign or local currency, on broadening special provisions for investment, on extending the period of tax exemption or tax reduction, on fixing a low tax rate, and so forth.

With this understanding, we quickly see that we are going to introduce our investment law because of urgent demands rather than because it is perfect or too progressive as some people might fear. We can guarantee that

the law will soon be found to be fairly "conservative," and it would be inevitable or natural for there to be another revision in the future.

However, even if the investment law can be promptly passed, we must understand that competition is also taking place over various factors, with one of them being the state of political and economic stability in the country. We have a visible advantage which is our political stability. We also have a tangible disadvantage which is our economic instability with a monthly, not yearly, double digit inflation rate.

The second factor has something to do with the mechanism of economic management and the administrative apparatus. To foreign businessmen, especially those from capitalist countries, our mechanism of economic management is very foreign and intricate. More evident, this mechanism is ineffective; in addition to that, it is a bulky, complex, and unscientifically-organized administrative apparatus. Our drawback in this field can and must be promptly overcome even if this can only be done in the area dealing with foreign investors' transactions. It is necessary to strengthen regulations and procedures on finance and taxation (income tax, tariff, and production tax), the control of foreign exchange rate, export-import activities, trade representative offices, travel for business purposes of foreign investors in the country, and labor. We know that the investment law will merely present various issues in a very general fashion. Our legislative and executive bodies must promptly come up with revisions in order to substantiate those provisions already stated in the [draft investment] law.

Another factor to be noted is that we must have a system of institutions and support services. Banks, insurance, communications, transportation, and other public utility facilities, including electricity, water, domestic communication routes, must be considered as part of the adequate conditions required for foreign investment.

In addition, it is no less important that we must have a contingent of businessmen and economic and technical experts. Even though a corporation may be established with 100% of foreign invested capital or as a joint venture, foreign investors must also work with the local people of various strata. This cooperation requires information sharing and mutual understanding at work.

It is of equal importance to secure a society that is both safe and agreeable to foreign investors. Since workers are the first to be in close contact with foreign investors, they must not only be professionally fit but must also heighten their sense of discipline, responsibility, and cooperation.

This is but a sketchy view of what is to be done. Nevertheless, it indicates that we still have a lot of intensive preparations to make in order to help quickly develop the effectiveness of the law on foreign investment and put an end to a "wait-and-see" attitude on the

part of investors. If no considerable progress can be made within a year, then it must be said that we have failed in our attempt and that foreign investors' initial interest will gradually diminish.

We must exert our greatest efforts in order to effect very marked progress in welcoming foreign investors and helping them solve their problems. In the eyes of foreign investors, the promulgation of the law on foreign investment may mark a new opportunity. People will be glad to come and see us even though they may not know for sure what they can expect at the end of the road. Therefore, there is no reason to cause delay through unnecessary processing procedures.

First of all, efforts must be made to avoid creating a bad impression caused by a long wait while making the foreign currency declaration and going through customs clearance procedures at airports. Next, we must pay attention to hotel and transportation facilities for foreign investors during their stay in Vietnam. These are areas most likely to create a first impression. It is necessary to roll out the red carpet right from the start. Frankly speaking, it must be said that if we want people to invest, we must "invest in investments."

Apart from the Investment Commission, we must promptly organize a special office of investments where knowledgeable personnel and adequate reference documents are readily available for foreign business people to get a picture of business opportunities in Vietnam, business laws, opportunities for investment, support services, and state efforts for improvement. This office should be staffed with highly qualified guides who will serve both as intermediaries between foreign investors and local business people and government agencies as well as advisors to investors so that the latter will be able to make correct and quick decisions. This coordination will also enable us to evaluate the capabilities and goodwill of foreign investors.

Once people have decided to make investments, we should quickly process their cases. Though a good number of agencies will have to share the paperwork, we must try by all means to simplify our processing procedures by reducing the number of agencies concerned as much as possible and by making arrangements for these agencies to carry out the work at the same location.

At present, the process of project evaluation and granting permits is full of challenge because, on the one hand, we have not yet worked out concrete policies toward a priority work schedule, and, on the other, because we have not yet finished establishing project-making criteria. Even personnel familiar with this kind of work still need time for more training.

Nevertheless, experience shows that delay often occurs in the preparatory stage. As a result of second thoughts or a lack of public utility facilities and support services, a good number of investors backed out even after they had

obtained permits. Therefore, we must, on the one hand, strive to persuade investors to take quick action, and, on the other, work out measures aimed at improving our own public utility facilities and support services.

Preparing favorable conditions for foreign business people also means giving ourselves a good chance for ensuring close and very effective management. We should not belittle the promulgation of the law on foreign investment. Instead, we should introduce this law to the world public in such a way as to make it a major event. More importantly, we should realize that creating conditions for investment to effectively serve production and development remains a complicated problem that calls for a quick solution. If we consider the promulgation of the law on foreign investment as a necessary condition, then we must view the above-mentioned improvements and arrangements as a sufficient condition for our economic development.

CEMA Domestic Trade Cooperation Reviewed
BK240740 Hanoi Domestic Service in Vietnamese
1430 GMT 22 Jan 88

[Station article: "Effective Cooperation"]

[Text] The CEMA Home Trade Ministers Conference was first held in 1969 following the 23d CEMA Conference. This annual meeting discussed orientations and measures on scientific and technological cooperation and goods exchanges through domestic trade sectors, and exchanged experience on developing domestic trade management with an aim to cooperate with and assist one another, enhance economic and trade management capability, and improve domestic trade activities, so as to better serve production and people's daily life in each member country.

In 1985, the volume of goods exchange between CEMA member countries reached 1.3 billion rubles. This is a noteworthy increase in goods circulation. Most of the key goods in exchange are knitting products, clothing, shoes, and art items. The Vietnamese Domestic Trade Ministry has officially participated in the CEMA Domestic Trade Ministers Conference since 1979. The Vietnamese Domestic Trade Ministry has gradually increased its goods exchange value and expanded trade relations with fraternal countries. To date, Vietnam has established goods exchange services with the domestic trade sector's import-export agencies of the Soviet Union, Hungary, Poland, Mongolia, and Czechoslovakia. Vietnam's total value of goods exchanges with these five friendly countries reached almost 12 million rubles in 1987 or about 300% over 1980. Export goods value in 1987 reached 7.6 million rubles or 7 times more than that of 1980. Most of the goods exchanges were made with the Soviet Union through domestic trade cooperatives. In 1980, goods exported to the Soviet Union reached 44% of the total export goods value, and almost 53% in 1987. The rate of goods exchanges through domestic trade cooperatives has scored satisfactory

achievements. In reality, however, the domestic trade goods exchange activities in Vietnam are still experiencing difficulties to meet various requirements.

To overcome these difficulties, the Vietnam domestic trade sector is striving to study and exploit trade cooperation potentials with fraternal countries, using various policies and the economic law of our party and state as a base. Vietnam is striving to increase its goods production output, increase its goods exchange value with fraternal countries, and expand cooperation in the production of goods using materials imported from fraternal countries which have invested in our country.

Continuing to expand trade relations in accordance with the set forth orientations, at this 20th conference, CEMA member countries will sign multilateral and bilateral agreements to develop in depth the trade sector and strengthen research cooperation; consolidate measures to reduce labor; and apply modern calculation techniques to perfect the transportation of goods, trade management, design projects and exchange experience on establishing trade stores.

At this 20th conference in Hanoi, the Vietnam domestic trade sector, through various signed agreements, has received concrete and real assistance from trade sectors of various fraternal countries. The signed agreements affirmed that these fraternal countries will expand their exchange of goods with Vietnam, while Vietnam will strive to improve the quality of its goods and strictly carry out commitments stipulated in these agreements. Some fraternal countries will provide Vietnam with essential materials, while it will produce clothes, knitting products, hand tools, kitchen appliances, leather products, and gift items for export. Vietnam will establish retail agents to sell goods to fraternal countries, cooperate with them in the production of foodstuffs and joint services and ventures, ask them to hire Vietnamese specialists and workers to help Vietnam gradually improve its trading skills and managerial efficiency. The domestic trade sectors of the Soviet Union, Hungary, Czechoslovakia, and the GDR will provide Vietnam with equipment for the foodstuffs refrigeration business, facilities for establishing a department store and a mess hall in Hanoi; and will create favorable conditions for Vietnamese trade cadres to further their studies in fraternal countries.

Memoranda Signed
BK221555 Hanoi VNA in English 1502 GMT
22 Jan 88

[Text] Hanoi VNA January 22--Memoranda on the 20th session of the home trade ministers of the member countries of the Council for Mutual Economic Assistance on goods exchange and scientific and technical cooperation were signed here today. At the session, the fraternal delegations held talks with the Vietnamese delegation and signed protocols on strengthening cooperation with and assistance to Vietnam.

Under these protocols, the Soviet Union will continue to exchange goods with Vietnam and help it in equipping the Hanoi General Department Store and restaurants and training managerial workers for the Vietnamese home trade service. Cuba, Bulgaria, Hungary, Czechoslovakia, the German Democratic Republic, Romania, Mongolia, and Poland will continue to exchange goods and technical equipment with Vietnam and help it in personnel training.

This year, the value of goods to be exchanged between Vietnam and the other CMEA member countries will increase over the past years.

Review of January 1988 TAP CHI CONG SAN
BK261305 Hanoi Domestic Service in Vietnamese
1000 GMT 24 Jan 88

[Summary] The January 1988 issue of TAP CHI CONG SAN begins with the full text of the sixth party Central Committee's fourth plenum communique and the general secretary's address at this plenum which are followed by the editorial entitled "Although There Are Still Many Difficulties, Premises Are Being Created for Objectives". The editorial, first of all, cites the positive factors in all aspects of the activities according to the renovation scope of the sixth party congress in 1987, stating, "Economically, the party Central Committee's second and third plenum resolutions have correctly materialized and somewhat further developed the leading concepts, guidelines, and policies of the sixth party congress concerning the renovation of the economic management mechanism and the resolution of the pressing problems in distribution and circulation. The correct policies and measures made for peasants have led to some considerable results in agricultural production. The autonomy of state industrial enterprises in production and business has begun to show its effect. Solving the circulation problems by eliminating checkpoints along rivers and lifting the ban on marketing has helped circulate goods and regulate prices in localities. The promulgated policy of thrift not only has reduced waste but has also created a good relationship between leadership and the masses. Foreign economic relations have also entered a new period."

After citing the shortcomings, the editorial stresses that "the aforesaid shortcomings should be remedied as soon as possible in the entire party, beginning with the highest rank. Time does not permit us to procrastinate but requires us to firmly grasp our duty, uphold responsibility, and steadily advance." The editorial concludes that "although difficulties ahead are still rife, orientations are clear and premises are being created. All party members and people are determined to turn 1988 into a year of important socioeconomic changes that will serve as a springboard from which to advance toward outstandingly fulfilling the 1988-90 plan and to positively preparing for socioeconomic development in subsequent years."

Alongside the editorial is an article entitled "Renewing Party Leadership Over Literature, Arts, and Culture", which thoroughly explains and fruitfully enriches the basic contents of the party resolution on renovation. After analyzing the basic viewpoints in the Political Bureau resolution dated 28 November 1987, the article concludes, "The Political Bureau resolution has created conditions for literature, arts, and culture to develop a new step further."

Touching on economic topics, the journal publishes an article by Pham Van Nghien, PhD, entitled "Some Views on Building Large-Scale Industry in Our Country". After analyzing the characteristics of our economy, the article points out steps suitable to the country's capabilities in terms of capital accumulation, labor, and resources in order to carry out industrialization.

Next is the article "Correctly Employ and Transform the Various Economic Elements" by Truong Son, who points out and analyzes two main issues. "First are some viewpoints on the employment and transformation of various economic elements." And "second is the renovation of economic policies toward economic elements," pointing out the requirements of renewing all policies on production and circulation, taxation, prices, export and import, credits, and payment.

The journal then publishes the article entitled "Build a New Management Model for the Maritime Products Sector" by Comrade Nguyen Hong Can, vice minister of maritime products, who writes about the building process and maturity of the export management model of the maritime products sector.

Prof Bui Hien has an article in this issue headlined "Social Justice and the Balanced Development Between Education and Economy", and "writes about the irrationalities and serious imbalances between education and the current socioeconomic situation in our country and simultaneously proposes concrete measures and guidelines for creating the balanced development between education and economy."

Followed is an article by Comrade Vu Duc Thien entitled "Enhance the Comprehension of and Sense of Respect for Law of Cadres and Party Members", which points out the slow development of socialist legal and cultural system in our country.

The journal then publishes the following articles in its various features and columns:

—"Excess or Shortages" by Vu Ngoc Lan about irrationalities in the assignment and employment of university graduates.

—"Gradually Reduce and Advance Toward Definitely Ending Inflation" by Minh Ho on the root cause of current inflation.

Law on Land Promulgated by Vo Chi Cong
BK221345 Hanoi NHAN DAN in Vietnamese
9 Jan 88 pp 1, 4

[Law on Land as approved by National Assembly on 29 December 1987 and promulgated by National Assembly Chairman Vo Chi Cong on 8 January—passages in boldface as published]

[Text] Preamble

Land is an extremely precious national natural resource, an irreplaceable means of production for agriculture and forestry, an element of foremost importance of the environment, and a place for the distribution of residential areas and the construction of economic, cultural, social, public security, and national defense installations. Through many generations our people have expended much energy and flesh and blood to exploit, invigorate, improve, and protect our land assets as they exist today.

To heighten the sense of responsibility of all organizations and individuals toward protecting and using land and protecting the environment, to strictly regulate the management and use of land, to rationally and effectively exploit the land potential, to contribute to socialist transformation, to ensure social justice, to gradually bring agriculture and forestry to large-scale production, and to serve the construction and defense of the socialist Vietnamese fatherland, on the basis of Articles 19, 20, and 83 of the Constitution of the SRV, this law determines the system of management and use of land.

Chapter I

General Rules

Article 1

The land is owned by all the people and is put under unified state management.

The state assigns land to state farms, state forests, cooperatives, agricultural and forestry production collectives, enterprises, people's armed units, state organs, social organizations, and individuals—hereunder referred to as land users—for stable, long-term use.

The state also assigns land for use during specific periods or for temporary use.

People who are legally using land are allowed by this law to continue using it.

Article 2

The state encourages investing labor, materials, and capital in, and applying scientific and technical achievements to:

—Practicing intensive cultivation and multicropping and raising the effectiveness of the use of land;

—Opening new land, breaking the soil, extending land into the sea, and covering bare land and hills with crops to increase the areas devoted to agricultural production, forestry, growing of marine crops, and salt-making;

—Protecting and improving the soil and raising its fertility.

Article 3

The state ensures for land users legitimate interests on the assigned land, including the right to transfer, cede, and sell the fruits of their labor and the results of investment in the assigned land when they no longer use their land and this land is assigned to other users according to the procedures and formalities determined by law.

Article 4

All land users are responsible for implementing the state policies aimed at protecting, improving, invigorating, and rationally and economically using the land.

Land users must pay land-use tax according to law.

Article 5

Strict prohibition is imposed on purchasing, selling, and illegally seizing land; leasing land and collecting rent; taking assigned land without using it; using land for wrong purposes; and deliberately using agricultural and forest land for purposes other than the intended and thus destroying it.

Article 6

The National Assembly has the right to decide about and the supreme supervisory authority over the management and use of land throughout the country.

The Council of Ministers holds the state management right over the use, protection, and improvement of land.

People's councils and people's committees at all levels carry out the state management of land in their localities according to the authority defined in this law.

Chiefs of sectors, within the limits of their authority and responsibility, organize and manage the use of the lands which the state has assigned to the organizations in their sectors.

Land management organs, both central and local, have the task of assisting the Council of Ministers and people's committees at all levels in carrying out the unified state management of land.

Article 7

The Fatherland Front, Trade Union, Collectivized Peasants' Association, Ho Chi Minh Communist Youth Union, Women's Union, scientific organizations, and other social organizations, as well as all citizens, have the duty to support the state organs in carrying out the measures aimed at protecting land and using land in a rational and economical manner.

The state organs, within the limits of their responsibility and authority, are responsible for fully considering any petitions submitted by social organizations and individuals in connection with implementing the measures aimed at protecting and using land.

Article 8

On the basis of the major uses of land, land is divided into the following categories:

1. Agricultural land;
2. Forestry land;
3. Residential-area land;
4. Specialized-use land;
5. Unused land.

Chapter II

System of Management of Land

Article 9

The statement of management of land consists of:

1. Investigation, exploration, surveys, and classification of land, and cadastral mapping;
2. Drafting of land-use projects and plans;
3. Determination of procedures and rules for management and use of land, and organization of implementation of such procedures and rules;
4. Assignment and taking back of land;
5. Registration of land, establishment and keeping of cadastral books, assembling of land statistics, and issuance of certificates to confirm the right to use land;
6. Inspection in connection with implementation of land-management and land-use procedures and rules;
7. Settlement of land disputes.

Article 10

Under the unified guidance of the Council of Ministers, people's committees of provinces and municipalities subordinate to the central administration and equivalent administrative units must organize and provide people's committees of districts, precincts, cities, and municipalities subordinate to provinces with guidance for carrying out investigation, exploration, surveys, and classification of land, and making cadastral maps of villages and equivalent administrative units.

Article 11

Drafting projects and plans for use of land:

1. The drafting of projects and plans:

a. The Council of Ministers drafts land-use projects and plans for the entire country;

b. People's committees at all levels draft projects and plans for the use of land in their own localities;

c. Sectors draft projects and plans for their own use of land.

2. The authority to ratify and to examine and approve land-use projects and plans is determined as follows:

a. The National Assembly ratifies projects and plans for the use of land in the entire country; people's councils at all levels ratify projects and plans for the use of land in their own localities before submitting them to the higher administrative authorities for direct examination and approval;

b. The Council of Ministers examines and approves land-use projects and plans of central sectors, provinces and municipalities subordinate to the central administration, and equivalent administrative units;

c. People's committees at higher levels examine and approve land-use projects and plans of the people's committees directly subordinate to them;

d. People's committees at each level, along with superior sectors, examine and approve land-use projects and plans of the same sectors in the localities;

e. In the case land-use projects and plans need revision and adjustment, there must be agreement of the state organ having the authority as determined in Points a, b, c, and d under Item 2 of this article.

Article 12

A decision to assign land must follow these rules:

1. On the basis of the land-use projects and plans that have been approved by the responsible state organ as determined in Item 2 of Article 11 of this law;

2. On the basis of annual plans to switch land categories from one use to another on approval by the responsible state organ as provided for under Article 13 of this law;

3. On the basis of the need for use of land mentioned in the economic-technical feasibility studies and in the planning process approved by the responsible state organ;

4. The decision to assign land that is being used to another person can be made only after there is another decision to take back this land made by the responsible state organ as determined in Article 15 of this law.

Article 13

1. The Council of State ratifies the Council of Ministers' annual plan for assigning agricultural and forest land for other uses.

2. The Council of Ministers approves annual plans, drafted by the people's committees of provinces and municipalities subordinate to the central administration and of equivalent administrative units, for assigning agricultural and forest land for other uses.

On the basis of the land-use projects and plans that have been ratified by the National Assembly and the annual plan for switching agricultural and forest land to other

uses that have been ratified by the Council of State, the Council of Ministers makes any necessary decisions about assigning land for different uses.

3. The people's committees of provinces and municipalities subordinate to the central administration and of equivalent administrative units make decisions about:

- Assigning land to state-operated economic organizations for agricultural and forestry-related uses;
- Assigning land for nonagricultural and nonforestry-related uses, with these limits:

One hectare or less for agricultural, forest, and residential-area land; and 2 hectares or less for virgin and hilly or mountainous land per project outside of the plan. Three hectares or less for agricultural, forest, and residential-area land and 2 hectares or less for virgin and hilly or mountainous land per project under the plan.

- Assigning specialized-use land for use for special purposes, except land belonging to territorial waters.
- Examining and approving plans to assign rural residential-area land to the people for housing construction in accordance with the annual quotas approved by the Council of Ministers for each type of villages.

- Assigning residential-area land in cities and municipalities proper according to plans that have been approved by the responsible state organ.

4. People's committees of districts, cities, and municipalities subordinate to provinces make decisions about:

- Assigning land to cooperatives, production collectives, and individuals for long-term uses in agricultural and forestry;

- Assigning unused land to organizations and individuals for specific periods or on a temporary basis for productive purposes in agriculture and forestry;

- Assigning rural residential-area land to the people for housing construction according to plans that have been approved by the people's committees of provinces, municipalities subordinate to the central administration, and of equivalent administrative units.

5. People's committees of districts have the authority to assign land as determined in Points a and b of Item 4 in this article.

6. The Council of Ministers determines the steps and procedures for assigning land of the various categories. Central and local land management organs shall assist the Council of Ministers and people's committees at all levels in land assignment.

Article 14

The state takes back all or part of the land that has been assigned for use in the following cases:

- The organization that uses the land has been dissolved, has moved, or needs less land for production due to scaled-down operation;
- All of the members of a household using the land have moved or are dead;
- Land users voluntarily return the assigned land;
- The time for use of land has expired;

- Land users fail to use the assigned land for 6 consecutive months without the permission of the responsible state organ that has assigned it;
- Land users seriously violate the regulations on land use;
- Land has not been assigned by the right authorities as determined in Article 13 of this law;
- Land is needed for use to satisfy the needs of the state or society.

Article 15

The state organ that has the authority to assign land has the authority to retrieve the same land.

In case there are urgent needs due to war or to the control of natural calamities, decisions to retrieve land are made by the people's committees at the levels of districts, precincts, cities, and municipalities subordinate to provinces upwards in accordance with proposals made by military commands or organs in charge of fighting storms and floods.

Article 16

Transfer of the right to use land is made only in the following cases:

- When farmer households join or withdraw from cooperatives or agricultural and forestry production collectives;
- When cooperatives, agricultural production collectives, and individuals agree to exchange land among themselves in order to reorganize production;
- When the persons assigned the land have moved or are dead but members of their households still continue to use the land.

Decisions about transferring the right to use land as mentioned in this article are made by village people's committees if in the countryside, and by the people's committees of districts, precincts, cities, and municipalities subordinate to provinces if in cities.

Article 17

People who inherit houses or do not have a house to live in, upon receiving houses transferred to them for occupation and after the responsible state organ has recognized their right to ownership over such houses, have the right to use the land where the houses exist.

Article 18

- Land users, when assigned land by the responsible state organ or granted permission to transfer the right to use land or change the purposes of using land, or while legally using land for which registration has not been made out, must apply for land registration with the state organ mentioned in item 2 of this article.
- People's committees of districts, municipalities subordinate to provinces, cities, and towns, and people's committees of villages subordinate to districts are to

compile and maintain cadastral books, to enter land registration by land users into cadastral books, and to make entries of unused land into cadastral books by themselves.

3. After registration, land users are to be issued a document certifying their right to use land.

Article 19

The Council of Ministers periodically organizes the assembling of land statistics which include both quantitative and qualitative data, so as to satisfy in time any needs in connection with the management and use of land.

Article 20

The Council of Ministers and people's committees at all levels organize inspection of land in the localities under their management.

Central and local land management organs are to assist the Council of Ministers and people's committees at all levels in carrying out land inspection.

When carrying out land inspection, inspection groups or inspectors have the right to:

1. Ask the organizations and individuals concerned to supply them with documents necessary for the inspection;
2. Temporarily stop the use of the portions of land which have not been used according to law;
3. Address petitions to the responsible state organs asking them to handle any acts of violating the law on land.

Article 21

Disputes about the right to use land are to be settled by the people's committees where the land in dispute exists, in accordance with the following stipulations:

1. People's committees of villages and towns settle disputes among individuals.
2. People's committees of districts settle disputes between individuals and organizations and among organizations which are under their management.
3. People's committees of precincts, cities, and municipalities subordinate to provinces settle the disputes mentioned in items 1 and 2 of this article.
4. People's committees of provinces, municipalities subordinate to the central administration, and equivalent administrative units settle disputes between individuals and organizations and among organizations if the latter are under their own management or are subordinate to the central administration.
5. In case of disagreement with a people's committee about its decision in the settlement of a dispute, the parties concerned have the right to appeal it to a higher organ of the administration. The decision made by the direct higher administrative organ is to be effective and carried out.

6. Disputes about the right to use land that involve the boundaries of administrative units are to be jointly settled by the people's committees of these units. In case of failure to reach an agreement, authority for settlement is to be determined by virtue of the stipulations in Item 11, Article 83, and Item 26, Article 107, of the Constitution.

Article 22

When they settle disputes about houses and other structures or about perennial trees, people's courts also settle the right to use the land where these houses, other structures, or perennial trees exist;

Chapter III

System of Use of Land

Part I

Agricultural Land, Forest Land

Article 23

Agricultural land is defined as land that is primarily used in agricultural production like crop growing and livestock raising, including growing of marine products, or for conducting research and tests having to do with crop growing and livestock raising.

Article 24

Users of agricultural land have the obligation:

1. To put the assigned land into agricultural production according to the projects or plans concerned, and not to leave it uncultivated and fallow;
2. To take intensive-cultivation and multicropping measures, to protect, improve, and invigorate the soil, and to combine agriculture with forestry.

Article 25

Forest land is defined as land that is primarily used in forestry for productive purposes, such as afforestation, exploitation of forests, forest zoning, and improvement of forests, and for conducting research and tests in connection with forestry; prohibited forest land and state parks; and land for afforestation aimed at protecting watersheds and the soil and improving the environment.

Article 26

Users of forest land have the obligation:

1. To seriously obey the law concerning managing, exploiting, and protecting forests and forest land and not to arbitrarily destroy or set fire to forests, nor to destroy the environment;

2. To grow trees to cover the land assigned to them according to projects and plans; to take necessary measures for achieving intensive cultivation, protecting the soil, fighting erosion, and combining forestry with agriculture.

Article 27

Land used in the family-based economy is subject to the following regulations:

1. Agricultural and forestry cooperatives and production collectives are allowed to assign their members' households some agricultural and forest land out of the land they have been assigned by the state for stable, long-term use so as to let these households engage in family-based economic activities.

People's councils of provinces, municipalities directly subordinate to the central government, and equivalent administrative units determine the size of agricultural and forest land that can be assigned to a household in different areas in their localities, with each individual not to be allowed to get more than 10% of the average size of agricultural and forest land of the total population of the village concerned.

2. State farms, state forests, and agricultural and forest stations and farms are allowed to assign their members' households some agricultural and forest land out of the land they have been assigned by the state for stable, long-term use so as to let these households engage in family-based economic activities, but each household cannot get more land than the limits set for different regions as follows:

- a. The Bac Bo Delta and central delta between Thanh Hoa and Thuan Hai Provinces: 200 square meters;
- b. The midlands, eastern Nam Bo, and Mekong River Delta: 500 square meters;
- c. The mountain regions and Central Highlands: 1,000 square meters.

Article 28

Land used for production by individual peasants is subject to the following regulations:

Individual peasants' households are assigned land by the state for stable, long-term use in agricultural and forestry production on the basis of the land they currently use.

On the basis of land capacity, local plans for land use, and land-using capacity of different types of households, people's councils of provinces, municipalities directly subordinate to the central government, and equivalent administrative units determine the size of land to be assigned to different types of individual peasants' households in their localities on the basis of the average size of agricultural and forest land calculated for the population of each village.

Article 29

1. In localities where there is unused land, people's committees of districts, precincts, cities, and municipalities directly subordinate to provinces can assign this type of land to organizations or households or members of agricultural, forestry, artisan, handicraft, fishery, and salt-making cooperatives and production collectives, state farms, state forests, agricultural and forestry stations and farms and to workers, civil servants, and the people for use in agricultural and forestry production.

2. In the case of uncultivated land, bare hills, and depleted forests, they are assigned for crop growing and animal husbandry in accordance with the policies on assignment of land and forests. The size of land to be assigned to each organization and individual is not limited and depends upon their capacity to use it.

3. When land is assigned according to items 1 and 2 of this article, the purposes and duration of its use must be determined in order to reassure land users that they will reap appropriate earnings compared to the labor they expend for each crop and animal they raise.

4. Land assigned as mentioned in this article is not included in the size of land assigned for family-based economic activities or assigned to individual farmers as mentioned in articles 27 and 28 of this law.

Article 30

The state encourages all organizations and individuals in various economic sectors to invest capital in order to use land in agricultural and forestry production in those areas where there exists plenty of unused land or land is now used with poor results.

The state has many policies on investment, building of the material and technical base, recruitment and hiring of laborers, exemption and reduction of tax, and farm product prices aimed at encouraging everybody to fully use land in agricultural and forestry production.

Article 31

The use of garden land is subject to the following regulations:

Garden land is included in the land assigned to cooperative members for family-based economic activities or to peasants still doing individual productive work; as for the rest of it, garden owners are allowed to continue using it in agricultural and forestry production.

The state follows the policy of encouraging and protecting the interests of all organizations and individuals engaged in intensive cultivation and in raising the yields of crops grown in garden land, and using unoccupied land and bare hills to turn into gardens according to plans.

Gardens cannot be established in rice-growing land, except when permission to do so is granted by people's committees of districts, precincts, cities, and municipalities directly subordinate to provinces in accordance with land-use plans approved by the people's committees of equal rank.

On the basis of the needs for development of the national economy, land capability, and crop-growing habits in different localities, the Council of Ministers determines various forms of production organizations and appropriate policies to be adopted in different regions for the purposes of developing production, stabilizing the living conditions, and obtaining more products for society.

Article 32

Concerning pagodas, churches, and holy religious places which are using land or which have not yet been assigned land for use, if there are legitimate needs and if they are capable of using land in an effective manner, people's committees of provinces, municipalities directly subordinate to the central government and equivalent administrative units rely on the state policy on religion to decide the size of land to be assigned to these pagodas, churches, and holy places.

Part II

Residential-area Land

Article 33

Residential-area land is defined as land for construction of cities and rural residential areas.

Article 34

The use of residential-area land in cities must conform to the rules on different kinds of land mentioned in this act and at the same time agree to the general projects of municipalities, cities, and towns.

With regard to those municipalities, cities, and towns which have projects to assign land to the people so that they can build their own houses, people's councils of provinces and municipalities directly subordinate to the central government and equivalent administrative units determine the size of land to be assigned to each household.

The use of land to build houses in municipalities, cities, and towns must fully agree to the rules set by the Council of Ministers.

Article 35

The use of residential-area land in the countryside must conform to plans and be favorable for production, the people's living, and social management.

existing residential areas must be fully used, and efforts must be made to limit extending residential areas into agricultural land.

Land in residential areas can be assigned only to the households that do not as yet have houses.

On the basis of the land capacity in different regions people's councils of provinces, municipalities directly subordinate to the central government, and equivalent administrative units determine the size of land to be assigned to each household, but the limits set for different regions as follows cannot be exceeded:

- A. The Bac Bo Delta and central delta between Thanh Hoa and Thuan Hai Provinces: 200 square meters.
- B. The midlands, eastern Nam Bo, and Mekong River Delta: 300 square meters.
- C. The mountainous regions and central highlands: 400 square meters.

In regions where the people are in the habit of having several generations living in the same household or where the land to be assigned is located in areas submerged all the year round, the Council of Ministers, on the proposal of people's councils of provinces, municipalities directly subordinate to the central government, and equivalent administrative units, can determine a larger size of land, but, as a rule, this area cannot be more than 50% or, even in exceptional cases, twice larger than the size of land determined for different regions in this article.

Part II

Specialized-Use Land

Article 36

Specialized-use land is defined as land that is not used for any purposes having to do with agriculture and forestry, nor as residential-area land such as: land used for construction of industrial, scientific and technical communications, water conservancy, cultural, social, and services installations; land used for public security and national defense needs; land used for exploration and extraction of minerals; land for salt making; land for the making of pottery, bricks, and tiles, and other building materials; land where historical and cultural monuments and sights exist; cemetery land; and land covered by water used for nonagricultural purposes.

Article 37

The use of land to build industrial, scientific and technical, communications, water conservancy, cultural, social, and services installations, in addition to obeying the rules set in this law, must also conform to the needs for land use as mentioned in the economic and technical feasibility studies for and planning of each project.

Article 38

The use of land for public security and national defense purposes must strictly conform to the projects and plans approved by the responsible state organs. When this kind of land is used, utmost efforts must be made to use as little land as possible and cause the least inconvenience to the use of land in adjacent areas.

Article 39

Only the organizations that have been assigned by the state the task of exploring and exploiting minerals can use land to achieve this task.

Land used for exploration and extraction of minerals, including the exploration and extraction of stone, is assigned only for the actual time of exploration and extraction; when this use is completed, it must be returned in the state that has been determined in the land-assignment decision of the responsible state organ.

Article 40

The state assigns land for salt making to organizations or individuals for production of salt; this land is assigned on the basis of land currently in use.

The salt-making areas that offer high productivity and good quality must be protected and used on a top-priority basis for salt production.

The state encourages the use of any areas that have a salt-making capacity to better serve society's need for salt.

Article 41

The use of land for making pottery, bricks and tiles, and other building materials is assigned for specific periods of time.

Land used for making bricks and tiles must first of all be nonagricultural land on hills, hillocks, empty plots, river beds, ponds and lakes that need dredging to become deeper, nonproductive river and stream banks, back-up dikes that need to be removed, and land that results from improvement of farm land.

If the above-mentioned lands are not available, various types of poor land can be used, but absolute savings must be achieved. After it has been used, the assigned land must be immediately restored for agricultural production and for raising marine products.

Land used for making pottery or unbaked bricks and tiles can be selected in appropriate areas but should not bring about losses for agricultural and forestry production.

Only the organizations and individuals that are granted permission from the responsible state organs defined in Article 13 of this law can use land designated for making pottery, bricks and tiles, and other building materials.

Article 42

Historical, cultural, and scenic land is defined as land where historical and cultural monuments and sights as designated by law exist.

This land must be strictly protected.

In special cases when it is necessary to use historical, cultural, and scenic land for other purposes, the state organs responsible for assigning land must grant permission, in which the minister of culture must concur.

If the minister of culture does not concur, the head of the project concerned has the right to submit a petition to the Council of Ministers.

Article 43

Land used as cemeteries must be planned as a concentrated area far from any residential areas, yet convenient for burials and visits, sanitary, and economical in terms of land use.

Article 44

Land covered by water defined in this article includes land being part of the territorial sea, inland bodies of water, rivers, swamps, and large lakes and being used for nonagricultural productive purposes.

On the basis of the primary uses defined for different types of land covered by water, the state assigns these lands to the right organizations and individuals for putting them to use.

Article 45

Users of specialized-use land have the following obligations:

- 1. To seriously implement the regulations issued by the Council of Ministers on the use of specialized-use land;**
- 2. To take necessary measures to save land, to protect the environment, and not to hinder production and the people's everyday life in the neighboring areas.**

Article 46

People who are assigned agricultural and forest lands to build industrial, scientific and technical, communications, water conservancy, cultural, social, and service installations; to satisfy public security and national defense needs; to explore and extract minerals; and to make pottery, bricks and tiles, or other building materials must compensate the state for any losses incurred by the use of such agricultural and forest lands.

The Council of Ministers and people's committees at all levels can use these compensations to open new land, cultivate fallow land, practice intensive cultivation, protect and improve the soil, and extend the areas of agricultural and forestry land.

Part IV

Unused Land

Article 47

Unused land is that which has not yet been designated for use for agricultural and forestry purposes, for becoming a residential area, or for specialized uses, and that the state has not yet assigned to anybody for stable, long-term use.

The Council of Ministers drafts projects and plans and adopts policies to encourage organizations and individuals to put unused land to use in agricultural and forestry production.

Part V

Obligations and Interests of Land Users

Article 48

In addition to the obligations mentioned in Articles 24, 26, and 45 of this law, land users also have the general obligations as follows:

1. To use land for the right purposes, within the right boundaries, and under other conditions determined at the time land was assigned;
2. To achieve protection, improvement, and transformation of land; not to do anything that would harm the environment and the legitimate interests of neighboring land users;
3. To seriously carry out decisions of responsible state organs about taking back land;
4. To compensate previous land users for actual losses resulting from land being taken back from them and assigned to current users;
5. To pay tax and cadastral fees when cadastral procedures are fulfilled according to law.

Article 49

In terms of interests land users can:

1. Have stable, long-term use of land, or use land in specific periods or temporarily according to what the responsible state organs determine at the time of assignment of land;
2. Enjoy the fruits of labor and investment in the assigned land; have the right to transfer, cede, and sell houses, other structures, and perennial plants that land users have acquired in a legitimate manner in the assigned land. If the land that is being used is taken back according to items 1, 2, and 3 in Article 14 of this law and given to other people, the original user is entitled to

compensation for actual losses and for the fruits of labor and results of investment, which have boosted the value of such land, according to law;

3. Enjoy the benefits brought about by public projects and by the protection and improvement of land;
4. Get guidance and assistance from the state in improving and transforming land;
5. When land that is being used is taken back because of any needs of the state and society, receive compensation for actual losses and other land to replace it;
6. Be protected by the state when other people violate their legitimate right to use land.

Chapter IV

Regulations on Use of Land by Foreign Organizations and Individuals, International Organizations, Joint Business and Cooperation Organizations Between Vietnam and Other Countries

Article 50

Assignment of land to foreign organizations and individuals, international organizations, and joint business and cooperation organizations between Vietnam and other countries to use is decided by the SRV Council of Ministers. Article 51

Foreign organizations and individuals, international organizations, and joint business and cooperation organizations between Vietnam and other countries being assigned land to use must comply with the rules in this law, except when international treaties signed between the SRV and other countries or international organizations may set different rules.

Chapter V

Commendation and Reward, and Punishment

Article 52

Any localities, organizations, and individuals having scored many achievements in managing, protecting, improving, and transforming land; extending areas of agricultural land; covering empty land and bare hills with crops and plants; and saving land in capital construction are to receive commendation and reward according to the regulations set by the Council of Ministers.

Article 53

People who purchase, sell, usurp, occupy land, lease land to collect rent, destroy land, or commit other acts violating the law on land are subject to one or more of these various forms of administrative punishment:

1. Warning;
2. Fines ranging from 20 to 30% of the losses caused by the violation;

3. Taking back the part of land that has been unlawfully used.

The administrative punishment mentioned in this article is decided by the people's committee at the responsible level according to law.

If the violation concerned has led to serious consequences, or in case of a repeated violation following an administrative punishment, punishment is imposed in accordance with the Penal Code.

Article 54

People who abuse their position and authority or go beyond their authority to assign land, to take back land, and to permit a change in the purposes of using land and thus violate the spirit of law; lack a sense of responsibility and thus cause damages to the land resources; and who protect those who have violated the law on land are subject to one of the following forms of punishment:

- 1. Warning;**
- 2. Fine;**
- 3. Dismissal;**
- 4. Forced resignation.**

The disciplinary action mentioned in this article is to be taken by the administrative organs in accordance with the division of management over cadres.

If the violation concerned has led to serious consequences, or in case of a repeated violation following an administrative punishment, punishment is imposed in accordance with the Penal Code.

Article 55

People who have caused damages to others because of their violations of the law on land, in addition to the punishment they are subject to as mentioned in articles 53 and 54 of this law, must compensate the people concerned for such losses.

Chapter VI

Final Provisions

Article 56

The previous rules that are contrary to this law are all repealed.

Article 57

The Council of Ministers is to determine the details for implementation of this law.

This law was adopted by the Second Session of the Eighth SRV National Assembly on 29 December 1987.

[Signed] Le Quang Dao, chairman of the National Assembly

Australia

Foreign Minister Hayden To Visit Jordan
*BK260235 Melbourne Overseas Service in English
0110 GMT 26 Jan 88*

[Text] The foreign affairs and trade minister, Mr Hayden, will visit Jordan from 13 to 16 February. He will discuss the Middle East situation and bilateral relations with his Jordanian counterpart, Mr Tahir al-Masri.

The prime minister, Mr Hawke, made an official visit to Jordan in January 1987.

Fiji

Deposed Prime Minister Regrets Australian Aid
*BK240552 Melbourne Overseas Service in English
0500 GMT 24 Jan 88*

[Text] The deposed prime minister of Fiji, Dr Timoci Bavadra, has told the Australian Government of his disappointment over its planned resumption of aid to Fiji. A spokesman for the ousted coalition, Dr (Tupeni Baba), said Dr Bavadra had written to the Australian prime minister, Mr Hawke, last week through the Australian High Commission in Suva.

The decision on resuming aid results from a new and more flexible Australian policy to recognize foreign states rather than governments. The High Commission confirmed today that the letter had been telexed to Canberra.

Dr (Baba) said the coalition was greatly disappointed with the decision especially from the government from a party with principles similar to the Fiji Labor Party component of the ousted government.

He said Australia, whose trade with Fiji was worth \$140 million a year, appeared to have bowed to economic pressures. Dr (Baba) also said the Australia Government may have been, as he put it, pushed by major powers such as the United States for strategic reasons and a desire for stability in the region. However, he said that the coalition would continue to liaise with the Australian Labor Party and with Australian unions.

Dr (Baba) was also critical of the statement by the Fiji prime minister, Ratu Sir Kamisese Mara, on Friday indicating it would be up to 2 years before the republic would hold elections under a new constitution. He said that in delaying the poll, Ratu Sir Kamisese was seeking to entrench his position as he knew that an election held in the near future would be won by the coalition.

New Caledonia

Elections for Assembly Set for 24 April
*AU261656 Paris AFP in English 1633 GMT
26 Jan 88*

[Text] Paris, Jan 26 (AFP)—The French South Pacific territory of New Caledonia will elect its regional assembly on April 24, the same day as the first round of French presidential elections, it was announced here Tuesday.

The new assembly is expected to implement a new autonomous statute for the troubled archipelago, the fourth in as many years.

The minister for overseas departments and territories, Bernard Pons, announcing the voting day, said the ballots were being held at the same time so that Caledonians would not have to make an additional trip to the polling stations.

France's official government record, the JOURNAL OFFICIEL, Tuesday published the text of the new statute, a week after France's Constitutional Council had given its consent for the reform.

Socialist attempts to refer back the statute for further consideration were thrown out by the Constitutional Council, the country's highest constitutional body.

The Socialists had expressed doubts about the statute's provisions for a new 10-member Executive Council, comprising the presidents of the archipelago's four regions and six others elected by the Territorial Assembly.

Last September New Caledonians voted to retain links with France, despite an independence campaign by Melanesian (Kanak) separatists.

The new statute realigns the boundaries of the territory's four regions, three of which are held by the Kanak Socialist National Liberation Front (FLNKS).

The Paris-appointed High Commissioner will retain a casting vote on major issues, notably the budget.

Kanak leaders have threatened to call for a boycott of the elections. Kanaks, comprising roughly 40 per cent of the population of 150,000, are the largest single ethnic group in the territory, but are outnumbered by Europeans and Asian settlers who generally prefer to retain ties with France.

New Zealand

Foreign Ministry Accuses DPRK of Terrorism
BK270630 Melbourne Overseas Service in English
0500 GMT 27 Jan 87

[Text] New Zealand has accused North Korea of terrorism over the crash of a South Korean airliner with 115 people on board. A statement issued in Wellington by New Zealand's foreign minister, Mr Marshall, said the loss of the plane last November was the latest act of wanton terrorism by North Korea.

Mr Marshall said the crash has serious implications for all countries as many people would travel on South Korean planes this year because of the Seoul Olympics.

Japan has imposed sanctions against North Korea over the airliner crash and pledged to help prevent any attempt by North Korea to disrupt the Seoul Olympics; and the United States has placed the Pyongyang government on its black list of terrorist nations.

Earlier, a woman confessed on South Korean radio to planting a bomb on board the plane on the order of the son of the North Korean leader, Mr Kim Il-song.

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